

AUDIT AND GOVERNANCE BOARD

At a meeting of the Audit and Governance Board held on Wednesday, 7 July 2021 at the Council Chamber - Town Hall, Runcorn

Present: Councillors Polhill, A. Lowe (Vice-Chair), J. Bradshaw, E. Cargill, Jones, McDermott, Philbin, J. Stockton, Wallace and Whitley

Apologies for Absence: Councillor Wall

Absence declared on Council business: None

Officers present: E. Dawson, I. Leivesley, M. Murphy, A. Dalecki, A. Jones and M. Reaney

Also in attendance: Michael Green – Grant Thornton

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

		<i>Action</i>
AGB1	MINUTES	
	<p>The Minutes of the meeting held on 24 March 2021 were taken as read and signed as a correct record.</p>	
AGB2	INTERNAL AUDIT ANNUAL REPORT	
	<p>The Board considered a report of the Divisional Manger – Audit, Procurement and Operational Finance, which summarised the work completed by Internal Audit during 2020/21, which included an opinion on the effectiveness of the Council's overall risk management, control and governance processes.</p> <p>The Public Sector Internal Audit Standards (PSIAS) required the Head of Internal Audit to deliver an annual audit opinion and report that could be used to inform the Annual Governance Statement (the <i>Internal Audit Annual Report 2020/21</i> was appended to the report).</p> <p>It was noted that despite the obvious challenges faced during this year and the resulting changes to planned work, it was the view of the Head of Internal Audit that sufficient audit work was completed during the year to be able to form an overall opinion. It was reported that the</p>	

Council's risk management, control and governance processes that were in place during 2020/21 were considered to be adequate and had operated effectively during the year.

RESOLVED: That the Board approves the Internal Audit Annual Report.

AGB3 ANTI FRAUD AND CORRUPTION UPDATE

The Board received a report of the Operational Director – Finance, which provided an update on developments in regard to the Council's anti-fraud and corruption activity.

The report provided Members with:

- A commentary on the fraud risk landscape;
- A summary of the fraud investigations from 2020/21;
- A summary of the HR related investigations from 2020/21;
- A summary of the whistleblowing complaints received and action taken;
- An update on the National Fraud Initiative;
- Details of fraud investigation related information reported under the Transparency code;
- Details of ongoing and planned anti-fraud work; and
- Details of the review of the Council's suite of anti-fraud related plans and policies.

Members were advised that with regards to the last item, these plans and policies were previously presented to the Business Efficiency Board for review and approval in July 2020. Following a further review they were still considered fit for purpose, with two changes to note – the renaming of the Board to *Audit and Governance* and a minor update to Section 8 of the Whistleblowing Policy. Copies of all documents were attached at Appendices A, B, C, D, and E.

RESOLVED: That the Board notes and approved the minor changes made to the suite of anti-fraud related plans and policies.

AGB4 DRAFT ANNUAL GOVERNANCE STATEMENT 2020/21

The Board considered a report of the Strategic Director – Enterprise, Community and Resources, which

sought approval of the draft Annual Governance Statement (AGS) for 2019/20.

It was noted that the AGS, attached to the report at Appendix 1, provided an overview of the governance framework in place for 2020/21. Further, a key aspect of the Annual Governance Statement was the identification of any areas where the Council's governance arrangements needed to be developed further and to provide a commitment to addressing those issues.

The draft Annual Governance Statement had been reviewed and agreed by Management Team and the document was also shared with the Chair of the Audit and Governance Board for input and comment. The responsibility to review and approve the AGS was for this Board and once any feedback had been taken into account, the document would be signed by the Council Leader and Chief Executive and published on the Council's website.

RESOLVED: That the Board

- 1) approves the 2020/21 Annual Governance Statement, subject to any changes or additions that Members feel appropriate; and
- 2) delegates authority to the Strategic Director – Enterprise, Community and Resources, to make any further minor amendments to the Annual Governance Statement prior to the inclusion of the final version in the Statement of Accounts.

AGB5 MEMBERS CODE OF CONDUCT

The Board considered a report of the Strategic Director – Enterprise, Community and Resources, on the new Member Code of Conduct (the model code).

It was reported that the Local Government Association (LGA) had published a new model Code of Conduct for Members, following a detailed and lengthy consultation exercise. This followed a recommendation from the Committee for Standards in Public Life to the LGA and Government.

The model code was attached at Appendix A for Members consideration and contained a number of points of difference to the current code; these were outlined in the report. Further to the Council meeting in May, Members were aware of the transfer of duties from the previous

Standards Committee to this Board, which has responsibility for consideration of the Council's arrangements for corporate governance and agreement of necessary actions to ensure best practice.

RESOLVED: That the Board

- 1) recommends that the new Code of Conduct for Members be adopted at full Council; and
- 2) recommends that Council approves the revised arrangement for dealing with standards allegations under the Localism Act 2011.

AGB6 REVISIONS TO COMMITTEE STRUCTURES

The Board considered a report of the Strategic Director – Enterprise, Community and Resources, which brought recommendations for revisions to Committee structures, following consideration by a group of senior Members, and sought appropriate recommendations to Council.

The revisions were described in the report and the amended terms of references were set out in Appendices 1 and 2. It was noted that these amendments would be made to the Constitution in due course.

Members discussed the chairing arrangements for the new committees / panels and acknowledged that it was an issue for the Members on the parent boards to determine.

RESOLVED: That it be recommended to Council that:

- 1) the Audit and Governance Board assume responsibility for the work of the former Standards Committee and that its terms of reference be amended as set out in Appendix 1;
- 2) the composition of the Appeals Panel be amended as set out in paragraph 3.4 of the report;
- 3) a taxi sub-committee be set up with terms of reference as contained in Appendix 2; and
- 4) that appropriate amendments to the Constitution are made in due course.

AGB7 SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972 AND THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

The Board considered:

- 1) whether members of the press and public should be excluded from the meeting of the Board during consideration of the following items of business in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972, because it was likely that, in view of the nature of the business to be considered, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972; and
- 2) whether the disclosure of information was in the public interest, whether any relevant exemptions were applicable and whether, when applying the public interest test and exemptions, the public interest in maintaining the exemption outweighed that in disclosing the information.

RESOLVED: That as, in all the circumstances of the case, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, members of the press and public be excluded from the meeting during consideration of the following item of business, in accordance with Sub-Section 4 of Section 100A of the Local Government Act 1972 because it was likely that, in view of the nature of the business, exempt information would be disclosed, being information defined in Section 100 (1) and paragraph 3 of Schedule 12A of the Local Government Act 1972.

AGB8 INTERNAL AUDIT PROGRESS REPORT

The Board received a report from the Divisional Manager – Audit, Procurement and Operational Finance, updating them on the internal audit activity since the last progress report to the Board on 24 March 2021. It also highlighted any matters that were relevant to the Board's responsibilities as the Council's Audit Committee.

Members were referred to appendix one, which listed all the planned work for the year and the anticipated dates that each audit would be reported to the Board. It was noted that the planning and completion of work was subject to change, but this represented the best estimates at the

current time.

Further to the approval of the Audit Plan on 24 March 2021, Members were advised that good progress had been made against the Plan so far, with most outstanding work relating to the 2020/21 Audit Plan now complete or nearing completion. The remaining work from 2020/21 would be reported to the next meeting of the Board.

Appended to the report were the executive summaries of the reports issued numbering 2 to 22, as listed in paragraph 4.2.

RESOLVED: That the Internal Audit Progress Report and comments made be noted.

Meeting ended at 7.20 p.m.