

AUDIT AND GOVERNANCE BOARD

At a meeting of the Audit and Governance Board held on Wednesday, 24 November 2021 at the Council Chamber - Town Hall, Runcorn.

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

Apologies for Absence: Councillors J. Bradshaw and Whitley

Absence declared on Council business: None

Officers present: E. Dawson, I. Leivesley, M. Murphy and G. Ferguson

Also in attendance: S. Nixon – Grant Thornton

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

	<i>Action</i>
BEB16 MINUTES	
<p>The Minutes of the meeting held on 20 September 2021 were taken as read and signed as a correct record.</p>	
BEB17 CORPORATE RISK REGISTER BIENNIAL UPDATE 2021/22	
<p>The Board considered a report of the Strategic Director, Enterprise, Community and Resources, on the bi-annual update of the Corporate Risk Register for 2021/22.</p>	
<p>The Board was advised that the Council recognised its responsibility to manage both internal and external risks as a key component of good corporate governance. At Directorate level, arrangements were in place for the high risk mitigation measures on the Directorate Risk Registers to be reviewed and updated at mid-year, in line with Directorate Business Plans. Progress was then reported to Management Team and Policy and Performance Boards.</p>	
<p>It was reported that the Risk Control Measures had been reviewed and updated in line with current changes within the Authority and as proposed by managers and stakeholders. The risks had been re-prioritised so that people, (the community and staff), took priority. These were set out in the report.</p>	

RESOLVED: That

1. the progress of actions be noted; and
2. the robustness of the Corporate Risk Register and the adequacy of the associated risk management arrangements be noted.

BEB18 PROCUREMENT OF EXTERNAL AUDIT SERVICES

The Board was advised that the contract for the provision of the Council's external audit services would expire on 31 March 2023. In 2016 the Council joined a sector-led procurement of external auditors to be undertaken by Public Sector Audit Appointments (PSAA). Over 98% of councils nationally joined the PSAA arrangement. Following the procurement exercise Grant Thornton UK LLP were appointed as the Council's external auditors for five years until 31 March 2023.

It was noted that the procurement of external audit services was a lengthy process and it was therefore necessary to begin the procurement process to secure these services from 1 April 2023 onwards.

The report outlined the following options which were available to the Council as follows:

- i. To opt-in to the national procurement arrangements to be led by PSAA;
- ii. To undertake the procurement of external audit services alone; and
- iii. To undertake the procurement of external audit services with other councils on a regional or other basis.

The Board was advised that options (ii) and (iii) would require considerable resources on the part of the Council, to undertake the procurement process, evaluate the tender bids and subsequently manage and monitor the contract over the five year period. It would also be necessary to establish an Auditor Panel with an independent Chair, to oversee the procurement process. It was also considered unlikely that options (ii) and (iii) would deliver a more cost effective outcome for the Council, as providers would benefit from significant economies of scale under the national arrangement.

For these reasons it was proposed that the Council once again opt-in to the national procurement arrangements

to be operated by PSAA. The decision to opt-in must be approved by Council with the final deadline for opting-in 11 March 2022.

RESOLVED: That Council be recommended to approve opting-in to the sector-led procurement by Public Sector Audit Appointments, for the provision of external audit services for the five years commencing 1 April 2023.

BEB19 EXTERNAL AUDIT UPDATE

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which provided an update from the external auditors regarding:

- Progress made in delivering their responsibilities as the Council's external auditors; and
- A summary of emerging national issues and developments that could be relevant to the Council and a number of challenge questions in respect of these emerging issues.

Steven Nixon, from external auditors Grant Thornton, attended the meeting to present the report and then dealt with Members' questions.

RESOLVED: That the report be noted.

BEB20 INFORMING THE EXTERNAL AUDIT RISK ASSESSMENT

The Board considered a report of the Strategic Director, Enterprise, Community and Resources, which presented the draft response to the annual letter from Grant Thornton, the Council's external auditors, regarding their year-end audit of accounts work. The appendix to the report presented draft responses to a number of questions from Grant Thornton, which would assist with the year-end audit of accounts.

RESOLVED: That the draft responses shown in the Appendix be provided to the Council's external auditors.

BEB21 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.

N.B. Councillor A. Lowe declared a Disclosable Other Interest in the following item of business as he is a governor of Hallwood Park Primary School.

BEB22 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 29 September 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.

Appended to the report were copies of the finalised 16 audit reports since the last progress report to the Board

in September. The report summarised the opinions from the audits covered in this progress report.

In January 2022, work would start to develop the proposed Audit Plan for the 2022/23 financial year. The content would be informed by a review of emerging risk areas and through discussions with senior management. Any work deferred from 2021/22 that was still considered relevant would also be included in the Plan.

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

Meeting ended at 7.25 p.m.