

AUDIT AND GOVERNANCE BOARD

At a meeting of the Audit and Governance Board held on Wednesday, 20 November 2024 at the Civic Suite, Town Hall, Runcorn

Present: Councillors Polhill (Chair), Wall (Vice-Chair), Connolly, Dourley, Gilligan, N. Plumpton Walsh and Ratcliffe

Apologies for Absence: Councillors Abbott, Begg, McDermott and Wallace

Absence declared on Council business: None

Officers present: E. Dawson, M. Murphy, S. Baker, G. Ferguson, M. Guest and R. Rout

Also in attendance: L. Luddington and M. Green - Grant Thornton UK LLP

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

	<i>Action</i>
BEB18 MINUTES	
<p>The Minutes of the meeting held on 25 September 2024 were taken as read and signed as a correct record.</p>	
BEB19 TRANSFORMATION PROGRAMME GOVERNANCE ARRANGEMENTS	
<p>The Board considered a report of the Corporate Director – Chief Executive’s Delivery Unit, which provided an update on the governance arrangements for the Council’s Transformation Programme. The Council’s Transformation Programme had started to operate on 1 April 2023, since then it had grown in both scope and complexity. The programme was in place until 31 March 2026 and the governance primarily sat with Executive Board, who acted as the Programme Board.</p> <p>In August 2024 a Transformation Programme Board was established. This was a working party consisting of ten Executive Board members.</p> <p>In addition to the Board, a level of scrutiny operated across the projects through Topic Groups led by the Chairs of the relevant Policy and Performance Boards. Any</p>	

recommendations emerging from this scrutiny were referred to the Transformation Programme Board via the Lead Member for the respective project. The Terms of Reference for the Transformation Programme Board were appended to the report.

The Board discussed the governance arrangements for the Transformation Programme Board and agreed that for the purposes of transparency, the Executive Board be recommended to consider that members of the Audit and Governance Board should be included as part of the Board membership.

RESOLVED: That

- 1) the report be noted; and
- 2) Executive Board be recommended to consider that members of the Audit and Governance Board be included as part of the Transformation Programme Board membership.

Corporate
Director - Chief
Executive's
Delivery Unit

BEB20 ANNUAL GOVERNANCE STATEMENT 2023/24

The Board considered a report of the Director of Finance, which sought approval of the final 2023/24 Annual Governance Statement (AGS).

The 2023/24 AGS was originally presented to the Board in June 2024. The areas identified for development in the action plan remained unchanged from the version previously approved by the Board.

Once approved the AGS would be signed by the Council Leader and Chief Executive and published on the Council's website.

RESOLVED: That the Annual Governance Statement 2023/24 be approved.

BEB21 2023/24 STATEMENT OF ACCOUNTS, AUDIT FINDINGS REPORT AND LETTER OF REPRESENTATION

The Board considered a report of the Director of Finance, which sought approval for the Council's 2023/24 Statement of Accounts (Appendix 3), and the report of the Audit Findings of the External Auditor (Grant Thornton) on the 2023/24 financial statements. The report also sought approval of the Council's Letter of Representation.

It was reported that the Statement of Accounts set out the Council's financial performance for the year in terms of revenue and capital spending and also presented the year end financial position as reflected in the balance sheet. The key elements were detailed in the report.

The External Auditor presented the Audit Findings report which summarised the findings from 2023/24 external audit. Section 2 of the Audit Findings report presented the finding of the External Auditor in respect of matters and risks identified at the planning stage of the audit and additional and significant matters that arose during the course of their work. Appendix B of the Audit Findings Report presented an action plan of recommendations for future improvement to the Statement of Accounts. These would be reviewed by management for appropriate action.

In addition, the Council was required to provide the External Auditor with a Letter of Representation relating the financial statements, as shown in Appendix 1. The letter was required to be signed by the Chair of the Board on behalf of the Council.

RESOLVED: That

- 1) the draft Letter of Representation in Appendix 1 be approved and any subsequent additions or amendments be approved by the Director - Finance, in liaison with the Chair of the Board;
- 2) the External Auditor's draft 2023/24 Audit Findings Report in Appendix 2 be received and any subsequent additions or amendments be approved by Director - Finance, in liaison with the Chair of the Board; and
- 3) the Council's draft 2023/24 Statement of Accounts in Appendix 3 be approved and any subsequent additions or amendments be approved by the Director - Finance, in liaison with the Chair of the Board.

Director of
Finance

BEB22 EXTERNAL AUDITOR'S ANNUAL REPORT 2023/24

The Board considered a report of the Director of Finance which presented the 2023/24 External Audit Annual Report.

On behalf of the Council's External Auditor, Grant Thornton UK LLP, L. Luddington and M. Green, presented the Annual Report, which detailed the Council's overall

arrangements, as well as providing key recommendations regarding any significant weaknesses identified during the review. It was noted that the report identified a number of significant weaknesses, and the external auditors had made key recommendations where the Council should take action to improve, together with management's responses. In addition, a number of improvement recommendations were identified within the report, along with management's responses.

RESOLVED: That

- 1) the contents of the 2023/24 External Audit Annual Report shown in the appendix be noted, including the recommendations contained within the Report;
- 2) Council be asked to consider the two statutory recommendations contained within the report, at its meeting on 4 December 2024; and
- 3) Executive Board be requested to ask each Executive/Corporate Director to identify what items of non-staff related expenditure are defined as essential to the delivery of services within their Directorate, and to provide written justification for the essential spend designation, outside of which no other spending will be permitted.

Director of
Finance

BEB23 REVIEW OF AUDIT AND GOVERNANCE BOARD TERMS OF REFERENCE

The Board considered a report of the Director of Finance which advised on a review of the Terms of Reference (TOR) for the Audit and Governance Board. The review had been prompted by the recent external assessment of the Council's internal audit arrangements, which included a recommendation that the Board's TOR should be aligned with that suggested by the Chartered Institute of Public Finance and Accountancy (CIPFA).

A proposed terms of reference for the Board had therefore been developed in accordance with the model TOR recommended by CIPFA in its publication 'Audit Committees Practical Guidance for Local Authorities and Police (2022 edition)'. The revised TOR were attached to the report as Appendix A.

RESOLVED: That the Board

- 1) considers the revised terms of reference for the

Director of
Finance

Board, which align with CIPFA recommended practice; and

- 2) delegates authority to the Director of Finance, in consultation with the Chair of the Board to finalise any proposed amendments prior to submission to Full Council for approval.

BEB24 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.

BEB25 INTERNAL AUDIT PROGRESS REPORT

The Board received a report from the Head of Audit, Procurement and Operational Finance, updating Members on the internal audit activity since the last progress report to the Board on 25 September 2024. 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 its current status. The schedule of audits had been updated to reflect the progress made in completing audits since the last update to the Board. By the end of October 2024, 732 days of audit work had been completed, which represented 63.1% of the total planned days for the year.

Appended to the report were the executive summaries of the reports issued numbering 2 to 15, as listed in the report.

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

Meeting ended at 7.20 p.m.