

AUDIT AND GOVERNANCE BOARD

At a meeting of the Audit and Governance Board held on Wednesday, 24 September 2025 at The Board Room - Municipal Building, Widnes

Present: Councillors Polhill (Chair), Connolly (Vice-Chair), Abbott, V. Hill, Ratcliffe and Wallace

Apologies for Absence: Councillor Thornton

Absence declared on Council business: None

Officers present: M. Guest, E. Dawson, M. Murphy, S. Baker, G. Ferguson and A. Mottershead

Also in attendance: L. Luddington, M. Derrick, H. Peurala - Grant Thornton UK LLP and D. Lyon, O. Mutelowa – Mersey Gateway

ITEMS DEALT WITH UNDER DUTIES EXERCISABLE BY THE BOARD

	<i>Action</i>
AGB12 MINUTES	
The Minutes of the meeting held on 4 June 2025, were taken as read and signed as a correct record.	
AGB13 NEW RISK MANAGEMENT POLICY	
The Board was presented with a revised Risk Management Policy which had been drafted in conjunction with Zurich Municipal, the Council's insurers. The aim of the Policy was to provide direction and alignment to current Risk Management processes across the Council Directorates.	
The Executive Board had approved the new proposed policy at its meeting on 11 September 2025, and recommended that the Audit and Governance Board oversee the implementation of the new Risk Management Policy and associated actions.	
RESOLVED: That the updated Risk Management Policy, with changes outlined in Section 3.3 of the report be approved.	Chief Executive

AGB14 ANTI-FRAUD AND CORRUPTION UPDATE

The Board considered a report of the Director, Finance, which provided an annual update on developments in regard to the Council's counter-fraud and corruption activity during 2024/25.

The Board considered information relating to the following activities:

- a summary of key development in the fraud risk landscape;
- HR related investigations and whistleblowing complaints received and actions taken (Appendix 1);
- the Council's strategic plans for tackling fraud and corruption, as set out in the Counter Fraud Strategy 2025-2030 (Appendix 2); and
- the Annual Fraud Plan, which outlined the Council's operational approach to preventing, detecting and responding to fraud and related irregularities (Appendix 3).

The Board discussed:

- the use of AI by the National Fraud Initiative and queried if there were plans by the Council to use AI as part of Anti-Fraud investigations. It was noted that the use of AI was an area that could be explored in the future; and
- National Anti-Fraud week in November and during this period the Council could publicise its work around counter-fraud and corruption activity.

RESOLVED: That

- 1) the annual update report on anti-fraud and corruption activity be noted;
- 2) the counter fraud work being undertaken be supported;
- 3) the Counter Fraud Strategy 2025-2030 be approved; and
- 4) the Annual Fraud Plan 2025/26 be approved.

Director of
Finance

AGB15 EXTERNAL AUDITOR'S ANNUAL REPORT 2024/25

The Board considered a report of the Director of

Finance which presented the 2024/25 External Audit Annual Report.

On behalf of the Council's External Auditor, Grant Thornton UK LLP, L. Luddington, 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 2024/25 External Audit Annual Report shown in the appendix be noted, including the recommendations contained within the report; and
- 2) Council be asked to consider the three statutory recommendations contained within the report, at its meeting on 22 October 2025.

Director
Finance

of

AGB16 ANNUAL GOVERNANCE STATEMENT - 2024/25

The Board considered a report of the Director of Finance, which sought approval of the 2024/25 Annual Governance Statement (AGS).

The AGS was originally presented to the Board in June 2024. Since that meeting a number of amendments had been made to the version previously reviewed and were detailed in the report. It was noted that nine areas had been highlighted as for improvement.

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

RESOLVED: That the Annual Governance Statement 2024/25 be approved.

Director
Finance

of

AGB17 2024/25 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 2024/25 Statement of Accounts (Appendix 3), and the report of the

Audit Findings of the External Auditor (Grant Thornton) on the 2024/25 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 2024/25 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.

The Board requested that it be noted that following the advice provided by Officers they were happy with the information presented.

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 2024/25 Audit Findings Report in Appendix 2 be approved 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 2024/25 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

AGB18 CIPFA FINANCIAL MANAGEMENT CODE

The Board considered a report which advised of the Council's self-assessment against the CIPFA Financial Management Code. The report assessed the Council's position against the key areas for a number on financial management standards and where appropriate identified follow up action to comply with the Code.

RESOLVED: That

- 1) the self-assessment against the Financial Management Code, be approved; and
- 2) the self-assessment against the Financial Management Code be updated and reported on an annual basis and reported to the Board.

Director of
Finance

AGB19 APPOINTMENT OF AN INDEPENDENT MEMBER

The Board considered a report of the Director of Finance which detailed the requirements for recruiting an independent member of the Board. In November 2024, the Board reviewed and updated its terms of reference, to ensure they complied with CIPFA's recommended practice. In addition to reducing the size of the Board, it was agreed that a suitably qualified, co-opted, independent Member, would provide additional expertise and knowledge relevant to the Board's role, particularly that of the Council's Audit Committee. These changes were approved by Council at its meeting on 16 May 2025.

RESOLVED: That

- 1) the requirements for the post of Independent Member for the Audit and Governance Board outlined within the report, be approved; and
- 2) the proposed process for recruiting an independent Member to the Audit and Governance Board, be approved.

Director of
Finance

AGB20 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.

AGB21 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 4 June 2025. 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 August 2025, 395 days of audit work had been completed, which represented 37.6% of the total planned days for the year.

Appended to the report were the executive summaries of the reports issued numbering 2 to 13, as listed in the report.

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

AGB22 MERSEY GATEWAY PROJECT

The Board considered an update report that provided an overview of the finances for the Mersey Gateway Project in relation to the financial year to the 31st March 2025.

RESOLVED: That the report be noted.

Meeting ended at 7.31 p.m.