

## AUDIT AND GOVERNANCE COMMITTEE

At a meeting of this Committee held on  
27 July 2020

- (Present)                    **Councillor Baines (Chairman)**  
                                  **Councillors Bond, Charlton, Groucutt, McCauley,**  
                                  **Murphy, Quinn and Reynolds**
- (Not Present)                **Councillors Pearl and Tasker**
- (Also Present)              **Councillor D Long (Chair Audit and Financial**  
                                  **Monitoring Overview and Scrutiny Panel); and**  
                                  **Helen Stevenson, Grant Thornton**

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### 27     **APOLOGIES FOR ABSENCE**

No apologies for absence were received.

### 28     **MINUTES**

- \*        **Resolved that the minutes of the meeting held on 11 November 2019, be approved and signed.**

### 29     **DECLARATION OF INTEREST FROM MEMBERS**

No declarations of interest were made.

### 30     **PROGRESS REPORT - AUDIT AND FINANCIAL MONITORING OVERVIEW AND SCRUTINY PANEL**

The Terms of Reference for the Audit and Governance Committee required it to consider reports from the Audit and Financial Monitoring Overview and Scrutiny Panel regarding audit reviews it has considered in year.

Sound and robust internal control and risk management frameworks were essential elements of good corporate governance and the Audit and Financial Monitoring Overview and Scrutiny Panel was a key element of these arrangements.

The work of the Audit and Financial Monitoring Overview and Scrutiny Panel was determined by the annual Internal and External Audit Plans that provide details of the reviews to be undertaken in the year.

A progress report was provided at Appendix 1 and provided summary information in relation to meetings held and matters considered.

- \*        **Resolved that the report be noted.**

### 31     **INTERNAL AUDIT ANNUAL REPORT 2019/20**

A report was submitted which presented a summary of the work undertaken by Internal Audit in 2019/20 which included an overall opinion of the control environment within the Council, which was that the Council continued to provide sound corporate

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governance arrangements. The report summarised the work of the section, the performance measures used to assess its effectiveness and the training undertaken to maintain effective professional standards.

Based on audit work undertaken during the financial year, the Head of Internal Audit's opinion was that the Council continued to maintain a sound framework of governance, risk management and internal control supporting the achievement of its stated objectives.

There were no sufficiently significant control weaknesses identified from reviews during 2019/20 which fundamentally undermined the control environment. Of the planned audit work completed in 2019/20, audit assurance opinions issued on the adequacy of the internal controls were recorded as substantial or high in 90% of cases. There was however a number of system and operational control weaknesses identified in the reviews, which in all instances had been addressed with agreed action plans for improvement by managers.

\* **Resolved that the report be noted.**

### **32 INTERNAL AUDIT PLAN 2020/2021**

A report was submitted which sought approval to the Internal Audit Plan for 2020/21, to fulfil Internal Audit's objective to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

The Terms of Reference for the Audit and Governance Committee required it to approve the Internal Audit Plan, Performance and Annual Outturn report and consider reports from the Audit and Financial Monitoring Overview and Scrutiny Panel regarding audit reviews and issues.

The agreement and delivery of the Internal Audit Plan, and the monitoring of the implementation of agreed actions arising from Internal Audit reports were essential to sound governance arrangements.

\* **Resolved that the Internal Audit Plan 2020/2021 be approved.**

### **33 DRAFT ANNUAL GOVERNANCE STATEMENT**

A report was submitted on the Draft Annual Governance Statement 2019/20.

St Helens Borough Council was responsible for ensuring that its business was conducted in accordance with the law and proper standards, and that public money was safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also had a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions were exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council was responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Council approved and adopted a Code of Corporate Governance in April 2017 based on the principles in the CIPFA /SOLACE Delivering Good Governance Framework 2016. This statement explained how St Helens Borough Council complied

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with the Code and met the requirements of regulation 4(2) of the Accounts and Audit Regulations 2015.

The Draft Annual Governance Statement 2019/20 was attached to the report at Appendix 1.

- \* **Resolved that the Draft Annual Governance Statement 2019/20 be approved.**

Councillor Quinn joined the meeting during the following discussion.

### **34 GRANT THORNTON REPORT – ST HELENS BOROUGH COUNCIL PROGRESS REPORT AND UPDATE YEAR ENDING 31 MARCH 2020**

Helen Stevenson, Grant Thornton gave a verbal update which informed Members of progress of how Grant Thornton deliver their responsibilities as external auditors. Helen explained that they had been in regular dialogue with finance officers regarding a revised timetable due to the Covid-19 pandemic. Findings from the audit of the Financial Statements and value for money work will be reported to this committee at its meeting to be held on 11 November 2020.

- \* **Resolved that the report be noted.**

### **35 TREASURY MANAGEMENT OUTTURN STATEMENT 2019/20**

A report was submitted which asked Member to consider and note the Treasury Management Outturn Report for the financial year 2019/20.

The Terms of Reference of the Audit and Governance Committee required it to ensure that the financial management and control systems are effective, including risk management arrangements. Such responsibilities incorporate those arrangements relating to the Treasury Management activity of the Council.

In accordance with the Chartered Institute of Public Finance & Accountancy (CIPFA) Standard of Professional Practice on Treasury Management, it is those Members who are responsible for ensuring effective scrutiny of the Treasury Management strategy and policies of the Council.

- \* **Resolved that the report be noted.**