



ST HELENS  
BOROUGH COUNCIL

**AUDIT AND GOVERNANCE  
COMMITTEE ANNUAL REPORT  
APRIL 2023 - MARCH 2024**

# FOREWORD BY THE CHAIR

**As Chair of the Audit and Governance Committee for the year in review, I am pleased to present this detailed report on the work of the Committee over 2023/2024.**

The report informs full council of the broad range of work which has been considered over the year to support the Committee in fulfilling its Terms of Reference and provides assurance on the effectiveness of the Committee in meeting its purpose. I hope that this report helps to demonstrate the key role which is undertaken by the Audit and Governance Committee and the positive contribution it makes to the council's overall governance.

The Committee's Terms of Reference were developed in accordance with the CIPFA guidance. The detailed Committee Work Programme, which is designed to ensure that the Terms of Reference are fulfilled, is subject to review at each meeting of the Committee.

The Committee will report its performance to full council on a regular basis regarding its purpose and effectiveness, and how it delivers these terms of reference. I would like to thank all those who have contributed to the Committee meetings over the last year, supporting the Committee's work with varied reports and presentations, which are the culmination of much more preparation and work undertaken 'behind the scenes'.

I look forward to future meetings of the Committee, and to working with the Committee members and the officers who support the Committee to ensure that we continue to provide independent assurance on the council's control environment and the governance framework.



**Councillor Lynn Clarke**  
Chair of Audit & Governance Committee



# 1. INTRODUCTION TO THE AUDIT AND GOVERNANCE COMMITTEE

Governance is defined in the “Delivering Good Governance in Local Government: Framework” (CIPFA/SOLACE 2016) as follows: Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while always acting in the public interest.

Audit Committees are therefore an essential element of good governance. Good corporate governance requires independent, effective assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes.

These functions are best delivered by an Audit Committee independent from the decision making and scrutiny functions. Effective Audit Committees help raise the profile of internal control, risk management and financial reporting issues within an organisation, as well as providing a forum for the discussion of issues raised by internal and external auditors. They enhance public trust and confidence in the financial governance of an authority.



## 2. AUDIT AND GOVERNANCE COMMITTEE - STATEMENT OF PURPOSE

The committee's purpose is to provide an independent and high-level focus on the adequacy of governance, risk, and control arrangements. Its role in ensuring there is sufficient assurance over governance, risk and control gives greater confidence to all those charged with governance and that those arrangements are effective. The committee has oversight of both internal and external audit, together with the financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability.

The Audit & Governance Committee has delegated responsibilities from council. This report provides details of how the Committee has discharged those responsibilities and delivered against its terms of reference which can be found in the Council's Constitution on the website: *Appendix 3 Terms of Reference Audit and Governance Committee.pdf* ([modern.gov.co.uk](http://modern.gov.co.uk))

Meetings of the Audit & Governance Committee were held on the following dates during municipal year 2023/24:

**31 July 2023**

**27 September 2023**

**11 December 2023**

**13 March 2024**

More information on the Audit & Governance Committee meetings, including agendas, minutes and attendance details are available on the council's website: *Committee details - Audit and Governance Committee St Helens Borough Council* ([modern.gov.co.uk](http://modern.gov.co.uk)).



# 3. GOVERNANCE, RISK AND CONTROL WITHIN ST HELENS BOROUGH COUNCIL

Reports have been received by the Audit and Governance Committee in the following areas, providing assurance and updates on the council's governance, risk, and control framework over the past year.

## Internal Audit

- Annual Audit Plan
- Annual Audit Letter
- Draft Annual Governance Statement 2022/23
- Strategic Risk Register Updates - 6 monthly
- Quarterly updates on audit progress against plan, and details of audit reports finalised within the period.
- Quarterly updates on the position regards outstanding audit recommendations.
- Anti-Fraud Updates - The council's Financial Procedure Rules detail the powers provided to Internal Audit, to undertake responsibilities on behalf of the Chief Financial Officer, including investigation into matters which may suggest the involvement of fraud, corruption, or irregularities. The council has a zero-tolerance approach to fraud, bribery, and corruption. In accordance with the Anti-Fraud,

Bribery & Corruption Strategy, an annual report is required to be provided to the Audit & Governance Committee on performance against the Strategy and the effectiveness of the Strategy.

- Revised Fraud Strategy and Fraud Policy documents.
- Revised Risk and Opportunities Management Policy and Strategy Framework.

## External Audit

- Auditor's Annual Report St Helens Borough Council for the year ending 31 March 2022.
- Financial Statements for the Year Ended 31 March 2023 - Assurance Questionnaire
- Audit Progress Report and Sector Update.
- Audit Findings Report Year Ended 31 March 2023
- Value for Money Report March 2024

## Finance Section 151 Officer

- Statement of Accounts (Year Ending 31 March 2022)
- Treasury Management Strategy Statement 2023/24, Annual Revenue Provision Policy Statement and Annual Investment Strategy.
- Arrangements for the Appointment of External Auditors.
- Treasury Management Outturn Report 2022/23
- Approval of Statement of Accounts 2022-2023

## Legal

- Council's Use of RIPA Powers & RIPA Policy Guidelines
- Information Governance 2022/23 Update
- Revised Code of Corporate Governance

## Other

- Briefing on the Cyber Security incident and lessons to be learnt
- STAR procurement - Sources of Assurance.



## 4. EFFECTIVENESS OF THE COMMITTEE

It is considered good practice to regularly assess the effectiveness of the Audit and Governance Committee. CIPFA, the Chartered Institute of Public Finance and Accountancy, is the professional body for people in public finance, and they provide numerous guidance documents, including an Audit Committee - Practical Guidance for Local Authorities and Police 2022 Edition. This includes a self-assessment of good practice - a high-level review that incorporates the key principles set out in CIPFA's Position Statement.

Where an audit committee has a high degree of performance against the good practice principles, then it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee.

A self-assessment exercise was conducted via a survey issued by the Chair of the Audit and Governance Committee to all members of the committee on 6 September 2023 with a return date of 22 September 2023 and a follow up reminder issued on 19 September.

The table of results including areas identified for potential improvement are attached at Appendix 1.



## 5. ADDITIONAL ASSURANCE

Additional assurance work requested by the Committee has been provided around ongoing issues including:

Report on the Internal Audit's conformity with the Public Sector Internal Audit Standards PSIAS - outlined within a recent peer review, were shared with the Committee in December 2023, including an update on the Quality Assurance Improvement Plan (QAIP).

The peer review concluded that the audit function conformed with the majority of the PSIAS standards and made minor recommendations for improvement, many of which have already been implemented. Progress towards completion of the remaining outstanding recommendations will be tracked via the QAIP and reported to future Audit and Governance Committee meetings.

In December 2023 the Committee approved the revised Code of Corporate Governance, updating the previous document from March 2022. St Helens Borough Council is committed to its responsibility for ensuring the council has an effective governance framework and has developed a Code of Corporate Governance based on the seven core principles of Good Governance as agreed by the Chartered Institute of Public Finance Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

These principles are set out in the CIPFA/ SOLACE publication Delivering Good Governance in Local Government: Framework 2016. The Council's Code of Corporate Governance is underpinned by these principles and is comprised of a framework of policies, procedures, behaviours, and values by which the authority is controlled and governed. Good Governance in the Public Sector - The core principles of good governance have been identified as follows:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimize the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.



## 6. MEMBERS OF THE COMMITTEE

The members of the Committee during 2023/24 were:

**COUNCILLOR LYNN CLARKE**  
**COUNCILLOR DEREK LONG**  
**COUNCILLOR ANNE MCCORMACK**  
**COUNCILLOR PAUL MCQUADE**  
**COUNCILLOR SUSAN MURPHY MBE**  
**COUNCILLOR DAMIEN O'CONNOR**

**COUNCILLOR BISI OSUNDEKO**  
**COUNCILLOR BRIAN SPENCER**  
**COUNCILLOR KATE STEVENSON**  
**COUNCILLOR DAVID VAN DER BURG**  
**KEITH LOCKHART, INDEPENDENT MEMBER**

The Audit and Governance Committee has been supported by officers providing reports in accordance with the Committee's work programme and at the request of the Committee. The Committee has routinely been attended by the Executive Director for Corporate Services, the Director of Legal and Governance (Monitoring Officer), the Director of Finance (Section 151 Officer) and Head of Audit and Risk.

The Committee now benefits from the co-option and attendance of an Independent Member, appointed on a 3-year fixed term basis following an external recruitment and selection process to ensure they have the essential skills and experience as described in the role description criteria, namely:

- Demonstrates up to date knowledge, skill, and a depth of experience in the fields of audit, accounting, risk management and performance management
- Operates consistently and without bias and/or pre-determination
- Is an effective role model; supports appropriate behaviours and challenges opinions and advice where appropriate, separating major issues from minor ones
- Contributes proactive, proportionate, and independent thought, and collaboration with officers to temper the opinions of Committee members
- Works sensitively with people inside and outside committee
- Listens to and balances advice.





## 7. STATUTORY REQUIREMENTS, NEW GUIDANCE AND RECOMMENDED PRACTICE

During the year, the Committee has carried out statutory requirements including approving the Financial Statements and the Annual Governance Statement. Committee members approved the Committee's revised Terms of Reference at the September 2023 meeting.

## 8. TRAINING AND DEVELOPMENT

The following training was carried out during the 2023/24 year:

- New CIPFA Guidelines and the Redmond Review
- Counter Fraud Training
- Cyber Security

The training has been recorded and made available to all members of the Committee as a resource tool to improve understanding of the role of this Committee. When required, induction briefings for new members appointed to the Committee are arranged.

In addition, Members have access to copies of the CIPFA Better Governance Forum Audit Committee Update featuring a round-up of legislation, reports, and developments of interest to Audit and Governance Committee Members.

## 9. WORK PROGRAMME FOR 2023/24

The Committee has an agreed work programme for 2023/24, which includes the annual statutory requirements (e.g., approval of the Statement of Accounts, approval of the AGS etc.) of the Committee and those regular reports and the forward-looking work programme ensures comprehensive coverage of the Committee's responsibilities and in addition to this, the Committee will:

- Continue to develop the proactive nature of the Committee to facilitate actions by officers to ensure that risks are identified as early as possible and remedial actions are taken in a timely fashion.
- Oversee any development required of the Audit and Governance Committee work programme to comply with the requirements of the CIPFA Audit Committees guidance.
- Continue to review governance arrangements to ensure the council adopts the latest best practice and continues to be an open and transparent public organisation.

- Continue to support the work of internal and external audit and ensure that responses are given to their recommendations.
- Receive assurance on compliance with best practice such as the Public Sector Internal Audit Standards and the CIPFA Statement on the Role of the Head of Audit and Risk (the Chief Audit Executive CAE).
- Continue to support the council in managing the risk of fraud and corruption.
- Continue to develop the Audit and Governance Committee to review risk and partnership issues and safeguarding of public sector asset.
- Equip existing and new Members to fulfil their responsibilities by providing more detailed and focused training on all key areas of responsibility, including financial arrangements and risk management, governance, and audit planning.

# APPENDIX 1 - RESULTS OF THE SELF ASSESSMENT SURVEY

AUDIT COMMITTEE PURPOSE AND GOVERNANCE	OBSERVATIONS/ RECOMMENDED ACTIONS	MAJOR IMP	SIGN IMP	MOD IMP	MINOR	NFA
1 Does the authority have a dedicated audit committee that is not combined with other functions?						
2 Does the audit committee report directly to the full council?						
3 Has the committee maintained its advisory role by not taking on any decision-making powers?						
4 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA 2022 position statement?						
5 Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?						
6 Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?						
7 Does the governing body (full council) hold the audit committee to account for its performance at least annually?						
8 Does the committee publish an annual report in accordance with the 2022 guidance, including: <ul style="list-style-type: none"> <li>compliance with the CIPFA Position Statement 2022</li> <li>results of the annual evaluation, development work undertaken and planned improvements</li> <li>how it has fulfilled its terms of reference and the key issues escalated in the year?</li> </ul>	Annual Report is due March 2024					

FUNCTIONS	OBSERVATIONS/ RECOMMENDED ACTIONS	MAJOR IMP	SIGN IMP	MOD IMP	MINOR	NFA
9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows? Governance arrangements Risk management arrangements Internal control arrangements, including: <ul style="list-style-type: none"> <li>financial management</li> <li>value for money</li> <li>ethics and standards</li> <li>counter fraud and corruption</li> </ul> Annual governance statement financial reporting Assurance framework Internal audit / External audit						
10 Over the last year, has adequate consideration been given to all core areas?						
11 Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?	Some meetings feel a little rushed and time is limited for some agenda items further down the list.					
12 Has the committee met privately with the external auditors and head of internal audit in the last year?	ACTION - This will be undertaken prior to the Dec 2023 Committee meeting. NOTE - meeting was held on 11th Dec 2024, and Internal and External Audit met with the CEX on 10th Jan 2024.					
13 Has the committee been established in accordance with 2022 guidance: <ul style="list-style-type: none"> <li>Separation from executive</li> <li>A size that is not unwieldy and avoids use of substitutes</li> <li>Inclusion of lay/co-opted independent members in accordance with CIPFA recs</li> </ul>						
14 Have all committee members been appointed or selected to ensure membership is knowledgeable and skilled?						

AUDIT COMMITTEE PURPOSE AND GOVERNANCE	OBSERVATIONS/ RECOMMENDED ACTIONS	MAJOR IMP	SIGN IMP	MOD IMP	MINOR	NFA
15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out in last 2 years?	Skills and training needs have not been formally assessed. Training is provided based on relevant topics and covering any changes in guidelines.  ACTION - Committee member knowledge and skills will be evaluated early in 2024 to identify training needs and add these to the Work Programme.					
16 Have regular training and support arrangements been put in place covering areas in the 2022 guidance?	As above - Training will be factored into the AG Committee Work Programme.					
17 Across the committee membership, is there a satisfactory level of knowledge, as per 2022 guidance?						
18 Is adequate secretariat and administrative support provided to committee?						
19 Does the committee have good working relations with key people and organisations, internal / external audit, CFO?	Yes - good levels of interaction with Officers					
EFFECTIVENESS	OBSERVATIONS/ RECOMMENDED ACTIONS	MAJOR IMP	SIGN IMP	MOD IMP	MINOR	NFA
20 Has the committee obtained positive feedback on its performance from those interacting with it or relying on its work?	Feedback is informal - no negative comments or concerns raised.					
21 Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?	Meetings are well chaired and usually have good debate across a range of subject matters.					
22 Are meetings effective with a good level good level of discussion and engagement from all members?						
23 Has the committee maintained a non-political approach to discussions throughout?	Yes.					

EFFECTIVENESS (CONT.)	OBSERVATIONS/ RECOMMENDED ACTIONS	MAJOR IMP	SIGN IMP	MOD IMP	MINOR	NFA
24 Does the committee engage with a wide range of leaders and managers, including discussions on audit findings, risks and action plans with responsible officers?	More scrutiny is needed on the overdue / outstanding recommendations - feels like some pay lip service to audit. It would be good to do some deeper dives into key risk areas and invite officers to present on topics or to explain delays in implementing audit recommendations.  ACTION - Head of Audit and Risk and Committee Chair will review overdue recommendations and if deemed necessary, invite officers to attend future Committee meetings in person, to discuss in greater detail.					
25 Does the committee make recommendations for the improvement of governance, risk and control arrangements?						
26 Do audit committee recommendations have traction with those in leadership roles?						
27 Has the committee evaluated whether and how this is adding value to the council?	ACTION - to be addressed in the Chair's Annual Report on the Committee's work, scheduled for March 2024 and onward report to full council.					
28 Does the committee have an action plan to address any weaknesses?	As above					
29 Has this assessment been undertaken collaboratively with committee members?	Yes - all given opportunity to take part.					



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