



Audit Committee Minutes

The minutes of the Audit Committee meeting of Wyre Borough Council held on Tuesday, 28 September 2021 at the Council Chamber - Civic Centre, Poulton-le-Fylde.

Audit Committee members present:

Councillors McKay, Ingham, A Turner, Cartridge, E Ellison, Moon, L Walmsley and Webster

Apologies for absence:

Councillors R Amos, Longton, Minto, Fairbanks and George

Officers present:

Daphne Courtenage, Assistant Democratic Services Officer
Marianne Unwin, Democratic Services Officer
Karen McLellan, Audit and Risk Manager (and Chief Internal Auditor)
Clare James, Corporate Director Resources and Section 151 Officer
Paul Hewitson, External Auditor Deloitte

No members of the public or press attended the meeting.

19 Declarations of interest

None.

20 Confirmation of minutes

The minutes of the meeting held on Monday 27 July 2021 were confirmed as a correct record.

21 Statement of Accounts 2020/2021 (Post-Audit)

The Corporate Director Resources (Section 151 Officer), Clare James, submitted a covering report on the Statement of Accounts, following completion of the audit, and the final capital and revenue position of the financial year 2020/21.

The Corporate Director Resources (Section 151 Officer) introduced the report to members.

She stated that in normal circumstances, the Chair of Audit Committee would,

at the end of the meeting, physically sign both the Statement of Accounts and the Management Representation Letter (Item 5), however, as the Management Representation Letter was not completed this could not occur. She assured members that this would be resolved through digital signatures following the completion of the audit.

Agreed that the council's Audited Statement of Accounts 2020/21 be approved.

22 Management Representation Letter 2020/21

Paul Hewitson, the External Auditor from Deloitte, submitted an update to the committee on the Management Representation Letter 2020/21. He explained to the committee that the letter was a standard document that was sent to the council, with the purpose of getting more information from them so as to cover all details relating to the audit.

Mr Hewitson explained that as the audit was not finished, he could not bring the letter to the committee yet, but assured members that so far there were no specific matters that they were unsure of that required extra information. The letter would be brought to the committee once the audit was finished.

23 Report to Those Charged with Governance (ISA 260) 2020/21

Paul Hewitson submitted an update of the External Audit (ISA 260 Report) for Wyre Borough Council for 2020/21.

Mr Hewitson updated members that the completion of the audit has been delayed owing to team sickness and in the delivery of some supporting working papers. This meant that the audit would not be completed by the 30 September deadline. He reassured members that this was not an unusual position and the five councils he worked with were yet to conclude their audits.

He reassured members that, to date, they had not identified any significant issues worth highlighting to the Audit Committee.

Following a question posed by a member of the committee, Mr Hewitson confirmed that the final report would be concluded by October; therefore, it should come to the next meeting.

He presented the committee with an overview of the report and summarised the conclusions from the testing undertaken for the council. Additionally, Mr Hewitson explained that they have included Covid-19 grant funding income as a significant audit risk.

He highlighted the main four significant risks that had been identified:

- Recognition of Covid-19 grant income
- Inappropriate capitalisation of expenditure
- Valuation of property assets
- Management override of controls

Members asked some questions surrounding the valuation of the council's property assets. Mr Hewitson explained his current judgement was that there was no evidence for any material concern. Also, Clare James, Corporate Director Resources (Section 151 Officer), reassured members that the council's two in-house surveyors were RICS qualified, one had completed the valuations and the other was conducting peer reviews.

He explained another area of audit focus was the pension liability valuation. Again, he assured members that currently there were no matters that the Audit Committee needed to be made aware of. He added that unfortunately the pension fund audit had not been completed yet, but if any issues did arise this would be highlighted in the final ISA 260 report.

Mr Hewitson updated members that the new requirement to consider value for money was ongoing and that this work would be reported to the committee in their Auditor's Annual Report before 31 December 2021.

The Chair thanked Mr Hewitson for his update.

Agreed that the update of the External Auditor's Report to those charged with Governance (referred to as the ISA 260 report) for 2020/21, be noted.

24 Annual Audit Letter on the 2019/20 External Audit.

Paul Hewitson submitted the Annual Audit Letter from the 2019/20 external audit. He explained to members that the purpose of the letter was to close off the 2019/20 accounts. The letter would be published on the council website for it to be accessible to the public. He stated that everything from previous reports was included in this letter. He also told members that if they had any questions or corrections to be made he would be happy to do so.

Agreed the Annual Audit Letter on the 2019/20 External Audit, be noted.

25 Other business

The Corporate Director Communities (Section 151 Officer), Clare James, updated members that ultimately the responsibility for appointing External Auditors would transfer to Wyre after the audit contract expires or the council can opt into the Public Sector Audit Appointment Ltd (PSAA) route. The PSAA independently carry out the procurement of audit services for opted-in local government bodies for the audit of the accounts from April 2023. She added that after consultation with other local authorities in and around Lancashire, the consensus was to use the national PSAA route. Therefore, Ms James updated members that there would be a report recommending this option presented to full Council shortly.

26 Periodic private discussion with External Audit

Following the conclusion of the formal meeting, members of the Committee were given the opportunity to have their private periodic discussion with the

External Auditor, Paul Hewitson, as provided for in the Committee's work programme.

(The Corporate Director Resources (and Section 151 Officer), Democratic Services Officer, Assistant Democratic Services Officer and the Audit and Risk Manager left the meeting for this item).

27 Time and date of next meeting

The next meeting of the Audit Committee would be held on Tuesday 16 November 2021 at 6pm in the Council Chamber.

The meeting started at 6.03 pm and finished at 6.46 pm.

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