

## Audit Committee Minutes

The minutes of the Audit Committee meeting of Wyre Borough Council held on Tuesday, 8 May 2018 at the Civic Centre, Poulton-le-Fylde.

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### **Audit Committee members present:**

Councillors Rita Amos, Tom Ingham, Lesley McKay, Paul Moon, Ann Turner, Lynn Walmsley and Val Wilson

### **Apologies:**

Councillor(s) Emma Anderton, Tom I Balmain, Ron Greenhough and Graham Holden

### **Other councillors present:**

Councillors

### **Officers present:**

Roy Saunders, Democratic Services and Scrutiny Manager  
Clare James, Head of Finance and Section 151 Officer  
Joanne Billington, Head of Governance  
Karen McLellan, Senior Auditor

No members of the public or press attended the meeting.

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#### **45        Declarations of interest**

None.

#### **46        Confirmation of minutes**

**Resolved** that the minutes of the Audit Committee meeting held on 13 March 2018 be confirmed as a correct record.

#### **47        Annual review of Internal Audit Charter**

The Head of Finance (Section 151 Officer) submitted a report to enable the Council's Internal Audit Charter and Code of Ethics to be considered, in accordance with the requirements of the Accounts and Audit Regulations 2015 and, in compliance with national accounting standards and guidance.

The Head of Governance reminded Members that a report on the Charter had last been submitted to the Committee in September 2017. A recent peer review had considered the content of the Charter and had concluded that no changes were required.

**Resolved** that the Internal Audit Charter and Code of Ethics, attached as Appendices 1 and 2 of the report, be approved.

**48**

### **Internal Audit Annual Report 2017/18**

The Head of Finance (Section 151 Officer) submitted a report providing information on internal audit work carried out during 2017/18, to enable the Committee to review progress in relation to internal audit and risk management activity as required by the Accounts and Audit Regulations 2015 and to consider the overall audit opinion.

The Head of Governance referred to her formal “opinion” as Chief Internal Auditor (set out in the concluding paragraph of Appendix 1) that, taking account of the areas listed in the report, the Council has in place satisfactory controls to be able to maintain an effective internal control environment. She also emphasised that, despite extensive progress made in readiness for the introduction of the General Data Protection Regulations (GDPR) there still remained a considerable amount of work to be completed before the implementation date of 25 May 2018. Reference to that position would be included in the Annual Governance Statement, to be reported to the Committee in June.

The Senior Auditor referred to the summaries of all the internal audits carried out in 2017/18. She drew attention, in particular, to the recent audit of the Marine Hall on which a draft report had just been issued. The overall outcome of the areas identified for improvement would normally have led to a “fair” categorisation but, because of her concerns about the reduction since the previous audit (which had been “good”) in the number of outstanding findings and effectiveness of the controls in place, a “weak” audit opinion had been issued. She stressed that only a draft report had so far been issued and that she and the Head of Finance would be meeting with the Service Director for Performance and Innovation and Commercial Manager on 11 May to identify deadlines for completion of required actions to improve controls and to monitor ongoing progress. The Chairman (Cllr McKay) said that she would write to the Leisure, Health and Community Engagement Portfolio Holder and the Leader of the Council expressing the Committee’s concern about the outcome of the audit of the Marine Hall. She would suggest that they request quarterly progress updates from the Service Director.

The Senior Auditor highlighted the “excellent” opinion on the audit of asset management, which represented a huge improvement in performance since the previous audit.

The Head of Governance said that a copy of the list of gifts and hospitality received in 2017/18, referred to in Appendix 1 of the report, would be submitted to the next meeting of the Committee.

The Senior Auditor also explained how the process for identifying and mitigating both strategic and operational risks, referred to in Appendices 2 and 3 of the report, had been carried out, highlighting the new risks that had been included in the register and those that had now been removed. In addition, she explained that a separate ICT risk register had now been compiled, which had been a requirement of the recent SOCITIM independent review of the ICT service.

**Resolved** that the Internal Audit Annual Report 2017/18, attached as Appendix 1, the Risk Management Progress Report attached as Appendix 2 and the Strategic Risk Management Review attached as Appendix 3 of the report of the Head of Finance (Section 151 Officer), be noted.

**49 External Audit Annual Audit Fee 2018/19**

The Head of Finance (Section 151 Officer) submitted a letter received from Deloitte LLP setting out its external audit fees for 2018/19. She said that the fees had been determined under a national procurement process and were lower than the fees for 2017/18. A representative of Deloitte's would be attending the July meeting.

**Resolved** that Deloitte's fee for the external audit of the Council's accounts for the year ending 31 March 2019 of £37,470 be noted.

**50 Time and date of next meeting**

**Resolved** that the next meeting of the Committee be held at 6pm on Tuesday 19 June 2018.

The meeting started at 6pm and finished at 7.02 pm.

**Date of Publication:** 16 May 2018.