

## Audit Committee Minutes

The minutes of the Audit Committee meeting of Wyre Borough Council held on Tuesday, 27 September 2022 at the Committee Room 2 - Civic Centre.

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**Audit Committee members present:**

Councillors McKay, Ingham, A Turner, Ibison, Longton, Moon and L Walmsley

**Apologies for absence:**

Councillors E Ellison, Leech, Minto, Stirzaker and Webster

**Other councillors present:**

None.

**Failure to attend:**

Councillors Fairbanks and George.

**Officers present:**

Clare James, Corporate Director Resources (and Section 151 Officer)

Joanne Billington, Head of Governance and Business Support

Karen McLellan, Audit and Risk Manager

Dawn Allen, Audit, Risk and Performance Lead

Mary Grimshaw, Legal Services Manager (and Monitoring Officer)

Stuart Kenny, External Auditor – Deloitte

Paul Hewitson, External Auditor – Deloitte

Daphne Courtenage, Assistant Democratic Services Officer

No members of the public or press attended the meeting.

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**12            Declarations of interest**

None.

**13            Confirmation of minutes**

Councillor Moon asked a point of clarification on whether his apologies had been accepted for the previous meeting. The Assistant Democratic Services Officer assured him they had been included in the minutes.

The minutes of the last meeting of the Audit Committee held on 14 June 2022 were approved as a correct record.

## **14 Compliance with the Regulation of Investigatory Powers Act 2000 (RIPA)**

The Legal Services Manager submitted a report to the committee to provide an update following a recent inspection on RIPA by the Investigatory Powers Commissioner's Office (IPCO) and to approve a revised RIPA policy.

She explained to the committee that there had been a virtual inspection in January 2022, and that a summary of the inspection had been included in the report. The inspector had been satisfied that the council had demonstrated a level of compliance that negated the need for an onsite inspection, was satisfied with the council's policy, training of officers and the guidance given for the use of the internet and social media.

The inspector did however recommend amendments to the communications data section to reflect recent legislative changes. These changes included the ability to obtain details of in and out call data and cell site location. All changes to the policy could be seen in the track changes in Appendix 1 of item 4 of the agenda pack.

The Legal Services Manager told the committee that the council had not made any RIPA applications since 2012, which was very good, but still needed to comply with the legislation and the inspection regime.

It was agreed that the update was noted and the revised RIPA policy approved.

## **15 Annual Review of the Council's Risk Management Policy**

The Corporate Director Resources (S151 Officer) submitted a report to the committee to review and approve the council's refreshed Risk Management Policy following the roll out of new risk management software and the delivery of risk management training across the council.

The Audit, Risk and Performance Lead introduced the report. She explained to the committee that this was an annual review, and that there were very little changes from last year. These changes were in relation to the frequency of review and risk action email notifications; the risk review notifications would now go out quarterly and the risk action notifications would go out two weeks prior to the due date of the action plan.

Councillor Moon asked about the use of the risk register. The Audit, Risk and Performance Lead responded that once a risk was in the register, it would be given a score and an action plan generated. Any risks that were closed would be reviewed by Internal Audit, so all registered risks would be thoroughly reviewed.

Councillor Ibison asked about how risks were categorised numerically, and whether urgent risks had a particular timescale. The Audit, Risk and Performance Lead explained that the actions put against the risks would

include timescales and the action plan due dates would prompt a notification to review, update or close the risk. Every quarter, the system would be reviewed.

The report was noted and it was agreed that the refreshed Risk Management policy was approved.

## **16 Statement of Accounts (pre-audit) 2021/22**

The Corporate Director Resources (S151 Officer) submitted a report to the committee to approve the council's published Statement of Accounts and the final capital and revenue position for the financial year 2021/22.

The Corporate Director Resources attended the meeting virtually, gave apologies on behalf of the Head of Finance, and explained that they were both adhering to Covid-19 isolation guidance owing to symptoms. Rather than go through the detailed question and answer session on the Statement of Accounts at this meeting, she proposed that she would circulate the document to the committee the following week, so they could review this, with additional comments from herself on points she believed needed to be brought to the committee's attention. This would give the committee the opportunity to thoroughly review the document and the Statement of Accounts, and at the next proposed meeting on November 15 2022, there would be a quick overview and the formal sign-off of the draft Statement of Accounts.

She assured members that there was no great urgency in getting the draft signed off, as the audit had not yet started, and they could afford to defer the vote to the next meeting.

Councillor Moon asked the Chair about ensuring that there was sufficient scrutiny and questioning of the Statement of Accounts. The Chair responded that she thought having the time in-between this meeting and the next meeting would be more useful, as well as the question and answer document supplied by the Corporate Director, rather than going through it all in one meeting.

The Chair asked a question to the Corporate Director and the external auditor from Deloitte on updates on the timing of the audit.

The Corporate Director said she knew meetings were ongoing, but that the issue on the infrastructure assets which had been mentioned in the meeting of the 14 June 2022 had still not been resolved by CIPFA.

Stuart Kenny, the external auditor from Deloitte, told the committee that the 2020/21 accounts were still waiting to be signed off owing to the infrastructure assets issue. They were waiting for the Department for Levelling Up to issue a draft statutory instrument to resolve these issues, though it was still to be seen whether this would completely resolve the issue. In terms of 2021/22, the infrastructure assets would still have an impact on this, and would likely

mean changes to the draft statement of accounts, but at the moment these changes were not clear. In terms of the actual audit, they were still discussing the timescale for it.

The Chair asked a follow up question as to whether the deadline for the 2020/21 accounts would still be March 2023.

Mr Kenny responded that if the infrastructure asset issue could be resolved in time, then the deadline would remain for both sets of accounts as March 2023.

The committee agreed to defer the discussion and agreement on the draft Statement of Accounts to the next meeting.

## **17 Exclusion of the public and press**

In accordance with Paragraph 11 of the Access to Information Rules in Part 4 of the Council's Constitution, the Chief Executive had determined that the report submitted under item 8 of the agenda were "Not for Publication" because they contained "exempt information", as defined in Schedule 12A of the Local Government Act 1972.

The Committee passed the following resolution: "That the public and press be excluded from the meeting whilst agenda item 8 was being considered, as it referred to exempt information as defined in category 3 (information relating to the financial or business affairs of any particular person including the authority holding that information) and category 5 (information in respect of which a claim to legal professional privilege could be maintained in legal proceedings) of Part 1 of Schedule 12(a) of the Local Government Act 1972, as amended by the Local Government (Access to Information) Variation Order 2006 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

## **18 Draft Annual Governance Statement 2021/22 update**

The Corporate Director Resources (S151 Officer), alongside the Head of Governance and Business Support and the Audit and Risk Manager, gave a verbal update to the group on amendments required for the draft Annual Governance Statement, which had been presented to the committee at the last meeting.

The Corporate Director explained to the committee the reasons for the amendments, as well as the situation which preceded these amendments.

The committee asked questions of the Corporate Director, the Head of Governance and Business Support and the Audit and Risk Manager, on the situation which had also been presented in the report to Cabinet in September, which had been included as part of this agenda.

The committee agreed to the amended wording proposed by the Corporate Director Resources and would agree the final Annual Governance Statement

as part of the deferred Statement of Accounts item in November.

## **19 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 auditors, Stuart Kenny and Paul Hewitson, as provided for in the committee's work programme.

(The Corporate Director Resources (S151 Officer), the Head of Governance and Business Support, the Audit and Risk Manager, the Audit, Risk and Performance Lead, and the Assistant Democratic Services Officer, left the meeting for this item).

The meeting started at 6.00 pm and finished at 6.50 pm.

**Date of Publication:** 28 September 2022