

## Audit Committee Minutes

The minutes of the Audit Committee meeting of Wyre Borough Council held on Tuesday, 21 November 2017 at the Civic Centre, Poulton-le-Fylde.

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

Councillors Rita Amos, Emma Anderton, Howard Ballard, Ron Greenhough, Graham Holden, Tom Ingham, Lesley McKay, Paul Moon, Cheryl Raynor and Ann Turner

### **Apologies:**

Councillor(s) Tom I Balmain, Michael Barrowclough and Val Wilson. Apologies for absence were also received from A Latham and C Paisley (KPMG, External Auditors).

### **Officers present:**

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

### **Non-members present:**

Councillor I Amos

### **Members of the public present: None**

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#### **29            Declarations of interest**

Councillor Moon declared an interest in the Gifts and Hospitality register item as he was named on the list as having gifted items.

#### **30            Confirmation of minutes**

The minutes of the Audit Committee meeting held on 19 September 2017 were confirmed as a correct record.

#### **31            Annual Review of Audit Committee's Performance**

The Head of Finance (Section 151 Officer) submitted a report on the annual review of the Committee's performance.

The Head of Governance explained how the annual review process was carried out, including the use of questionnaires, group discussions and 1-2-1 sessions with individual members of the Committee (only two of which were now outstanding). Having undertaken those processes, she and the Head of Finance had also completed the self-assessment check-list form, attached as Appendix 1 to the report. That check-list confirmed that the Committee largely met the best practice guidance. Only two areas for improvement had been identified, which related to improved identification and delivery of training for councillors (listed as actions under paragraph 12 of Appendix 1).

Members of the committee confirmed that their individual 1-2-1 sessions with the Head of Governance or the Senior Auditor, although time consuming for the officers, had been useful. The Head of Governance said, in response to the comments made, that she would make arrangements to facilitate a group session on future training needs for Audit members immediately prior to the Committee meeting in August 2018 and then arrange further 1-2-1 sessions with individual members after that, if necessary.

**RESOLVED:**

- (1) That the report of the Head of Finance (Section 151 Officer) and the comments made by the Head of Governance be noted.
- (2) That the responses and comments made in the completed self-assessment of good practice form, attached as Appendix 1 of the report, be endorsed, and the following proposed actions be approved:-
  - (a) A new questionnaire specific to Audit Committee members and separate questionnaires for members of other committees to identify their current level of knowledge would be devised, to be ready for use with all councillors immediately after the 2019 election;
  - (b) Appropriate training would then be provided to address any knowledge and skills gaps identified.

**32 Internal Audit and Risk Management - Progress Report**

The Head of Finance (Section 151 Officer) submitted a report on Internal Audit and Risk Management activity and progress on actions arising from the Annual Governance Statement 2016/17.

The Senior Auditor introduced the report, which provided information on:

- the delivery of the Internal Audit Plan (Appendix 1);
- progress on Risk Management (Appendix 2);
- the implementation of actions arising from the Annual Governance Statement for 2017/18 (Appendix 3).

With regard to Internal Audit activity, the Senior Auditor said that all the audits completed since June 2017 had resulted in a “good” opinion being issued. She advised that the review of the YMCA had been conducted to obtain an

understanding of their internal processes and procedures, which were regularly reviewed by their Treasurer and then externally audited. In view of that, no detailed testing had been carried out and, whilst a full report had not been issued, potential service improvements had been discussed and were to be implemented.

With regard to compliance with delegated authorities, the Senior Auditor said that the areas for improvement identified in the audit related to relatively minor procedural issues, rather than fundamental breaches of procedure and arrangements were already being made to tighten up the relevant processes. The Head of Governance said that three training sessions had been provided to report authors which had been effective in improving knowledge and understanding of the Council's constitution and a further mop-up session was now planned.

With regard to information governance issues, the Head of Governance said that a significant amount of work would be required in the coming months to ensure that the Council was in a position to comply with the requirements of General Data Protection Regulations which would come in to effect from May 2018. Plans for the implementation process had been drawn up and were about to be delivered across the organisation.

The Senior Auditor referred to an executive summary of the Council's current strategic risks. She said that the next full review of strategic risks would be carried out with the Corporate Management Team in February 2018. Councillor McKay, in her capacity as risk champion for the Audit Committee, would be invited to participate and members should use her as a conduit for any suggestions or concerns. The Senior Auditor reminded Members that strategic risks were those which would impact on the ability of the Council to deliver its Business Plan. Mitigation measures would be identified for any risks above a specified threshold. The Head of Governance said that a report would be submitted to a future meeting of the Committee if any significant changes were made to the strategic risks register.

The Head of Governance said that generally, good progress was being made on actions arising from the Annual Governance Statement 2017/18, as listed in Appendix 3.

**RESOLVED:** That the Internal Audit and Risk Management Progress Reports and the Annual Governance Action Plan Update be noted.

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**Annual Review of Council's Counter Fraud Policies - Anti Fraud, Corruption and Bribery, Whistle Blowing, Anti Money Laundering and Gifts and Hospitality and Registering Interests**

The Head of Finance (Section 151 Officer) submitted a report on the Annual Review Of Council's Counter Fraud Policies: Anti Fraud, Corruption and Bribery; Whistle Blowing; Anti Money Laundering; and Gifts And Hospitality and Registering Interests.

The Head of Governance introduced the report and highlighted the proposed amendments to the policies listed in Section 5 of the report. She said that Anti-Fraud, Corruption and Bribery Policy was an over-arching policy, supported by the three other policies listed.

As previously agreed by the Committee, paper copies of the policies had not been printed with the agenda, but links had been included in the reports to enable them to be viewed electronically.

The Head of Finance then gave members an overview of the Anti-Money Laundering Policy changes for which a hard copy had been provided. Key changes were highlighted and it was reported that the activation of the policy during the year had been a successful test of the process.

**RESOLVED:**

That the revised versions of the following policy documents, including the amendments set out in paragraphs 5.1 to 5.6 of the report of the Head of Finance (Section 151 Officer), be approved:

- Anti-Fraud, Corruption and Bribery Policy;
- Whistleblowing Policy;
- Anti-Money Laundering Policy;
- Gifts and Hospitality and Registering Interests Policy.

**34 Annual Audit Letter 2016/17**

The Head of Finance (Section 151 Officer) submitted a copy of the Annual Audit Letter 2015/16 prepared by the Council's external auditors KPG. She said that it was a mandatory requirement for the external auditors to submit such a report. It was essentially a high-level summary of work carried out during the year and the issues referred to had all previously been reported to the Committee in more detail.

**RESOLVED:** that the Annual Audit Letter for 2016/17 from the External Auditor's KPMG, be noted and published on the Council's website.

**35 Date and time of next meeting**

Tuesday 13 March 2018 at 6pm in the Council Chamber.

The meeting started at 6.00 pm and finished at 6.58 pm.

**Date of Publication:** 12 December 2017