



Audit Committee Minutes

The minutes of the Audit Committee meeting of Wyre Borough Council held on Tuesday, 28 May 2019 at the Civic Centre, Poulton-le-Fylde.

Audit Committee members present:

Councillors McKay, Ingham, R Amos, E Ellison, R George, Longton, Moon, O'Neill, M Stirzaker, L Walmsley and Webster.

Apologies for absence:

Councillor(s) Cartridge, Holden and Minto.

Other councillors present:

Councillor(s) I Amos and Sir R Atkins.

Officers present:

Clare James, Head of Finance and Section 151 Officer
Joanne Billington, Head of Governance
Paul Hewitson, External Auditor (Deloitte)
Roy Saunders, Democratic Services and Scrutiny Manager
Emma Keaney, Governance Trainee.

No members of the public or press attended the meeting.

1 Election of Chairman

Agreed that Councillor Lesley McKay be appointed Chairman of the Audit Committee for the municipal year 2019/20.

2 Election of Vice Chairman

Agreed that Councillor Tom Ingham be appointed Vice-Chairman of the Audit Committee for the municipal year 2019/20.

3 Declarations of interest

None.

4 Confirmation of minutes

Agreed that the minutes of the Audit Committee meeting held on 12 March

2019 be confirmed as a correct record.

The Chairman (Cllr McKay) confirmed, that further checks would be made in regards to expressed concerns that there was a remaining conflict between the planned November date of the Audit Committee and a meeting of Fleetwood Town Council.

5

External Audit Annual Audit Fee 2019/20

The Chairman (Cllr McKay) agreed to bring the planned Item 9 forward to Item 6, due to the time constraints of the External Auditor.

The Head of Finance (Section 151 Officer) submitted a letter received from Deloitte LLP setting out its external fees for 2019/20. The external auditor explained to the committee that the fees had been determined under a national procurement process and were the same as the fees for 2018/19.

Agreed that Deloitte's fee for the external audit of the Council's accounts, for the year ending 31 March 2020, of £37,470 be noted.

6

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 informed Members that a report demonstrating how the internal audit service would be delivered and developed in accordance with the charter, had been submitted to the Committee in March 2019.

Agreed that the Internal Audit Charter and Code of Ethics, attached at Appendices 1 and 2, be approved.

7

Review of Effectiveness of Internal Audit

The Head of Finance (Section 151 Officer) submitted a report on the annual review of the effectiveness of the Council's system of internal audit, as required by the Accounts and Audit Regulations 2015.

The Head of Governance confirmed that no further actions were required following the most recent peer review, which had been carried out in March 2018.

Agreed that the results of the May 2019 review of the effectiveness of Internal Audit, as detailed in Appendix 1 of the report, be noted.

8

Internal Audit Annual Report 2018/19

The Head of Finance (Section 151 Officer) submitted a report providing information on internal audit work carried out during 2018/19, to enable the

Committee to review progress in relation to risk management activity, as required by the Accounts and Audit Regulations 2015.

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 and effective internal control environment.

The Head of Governance said that summaries of the internal audits carried out in 2018/19 and the other work carried out by the internal audit team were included in Appendix 1. She said that the audit plan had had to be revised during the course of the year because a member of staff had left to move to another authority and, as a consequence, the review of building maintenance had been rescheduled for the beginning of 2019/20.

The Head of Governance and the Head of Finance (Section 151 Officer) drew attention, in particular, to the follow-up review of the Marine Hall. The overall opinion of the original audit carried out in 2017/18 had been “weak”. Since then, a number of procedures and controls had been implemented and the opinion in the follow-up review had been raised to “fair”. However, following further staff turnover and an incident in April involving cash not being balanced, concerns remained that some of the recommendations were still outstanding and procedures were not always being followed. The Commercial Manager was due to attend the next meeting of the Audit Committee on 18 June to update members on progress. The Commercial Manager had now also been asked to attend the meeting of the Overview and Scrutiny Committee on 3 June, but that Committee would be focussing on the type and level of services provided at the Marine Hall, rather than the financial and other control procedures in place.

The Head of Governance also explained how the process for identifying and mitigating operational risks, referred to in Appendix 2 of the report, had been carried out.

Agreed:

1. That the Internal Audit Annual Report 2018/19, 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.
2. That the Commercial Manager be asked to attend the June meeting of the Audit Committee as planned, to update the committee on the progress made in implementing the recommendations of the Audit Team, notwithstanding the request for her to attend the Overview and Scrutiny Committee meeting on 3 June to discuss more strategic issues relating to the Marine Hall.

The meeting started at 6pm and finished at 7.15pm.

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