



## Audit Committee Minutes

The minutes of the Audit Committee meeting of Wyre Borough Council held on Tuesday, 16 November 2021 at the Council Chamber - Civic Centre, Poulton-le-Fylde.

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

Councillors McKay, Ingham, Cartridge, E Ellison, Longton, Minto, Moon, Stirzaker, L Walmsley, Fairbanks and George

### **Apologies for absence:**

Councillors A Turner, R Amos and Webster

### **Other councillors present:**

None.

### **Officers present:**

Daphne Courtenage, Assistant Democratic Services Officer  
Marianne Unwin, Democratic Services Officer  
Joanne Billington, Head of Governance and Business Support,  
Karen McLellan, Audit and Risk Manager (and Chief Internal Auditor)  
Dawn Allen, Audit, Risk and Performance Lead  
Clare James, Corporate Director Resources (Section 151 Officer)  
Maria Blundy, Head of Built Environment  
Paul Hewitson, External Auditor Deloitte  
Stuart Kenny, External Auditor Deloitte

No members of the public or press attended the meeting.

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### **28        Declarations of interest**

None.

### **29        Confirmation of minutes**

**Agreed** that the minutes of the Audit Committee meeting held on 28 September 2021 be confirmed as a correct record.

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

The Legal Services Manager submitted a report that reviewed the authority's use of RIPA (Regulation of Investigatory Powers Act 2000) since it was the

last considered at the Audit Committee November 2020.

The Head of Governance and Business Support introduced the report. She explained to members that the last inspection had occurred in 2019, and since then only minor amendments on the social media policy had been made. The next inspection was due in 2022 with notice expected to be given on whether this would be a face-to-face inspection.

The Head of Governance and Business Support informed members that there had been no authorisations to undertake surveillance under RIPA since 2012. Following the senior management restructure in December 2019, the Corporate Director Resources now requires RIPA training. The Head of Legal Services would arrange training in early 2022 prior to the inspection. Refresher training would be provided for all other authorising officers.

The report was **noted** by the Committee.

### **31 Internal Audit and Risk Management - Progress Report**

The Corporate Director Resources (Section 151 Officer) submitted a report which reviewed the progress in relation to the 2021/22 Audit Plan, Risk Management and considered the progress against the action plan resulting from the 2020/21 Annual Governance Statement.

The Audit and Risk Manager introduced the report, stating that this was the six monthly update, and was her first update to the committee in her new role as Chief Internal Auditor.

She updated members that following a restructure, they had been able to take on an extra member of staff, the Audit, Risk and Performance Lead. The additional resource means that all audit work would now be completed in-house. She notified the committee of the revised audit opinions and that all new audit work would now be completed using this new opinion format.

She also pointed members to pages 16-24 which indicated all ongoing and completed work, and focused on the follow up review from building maintenance, which had been given the opinion of 'fair'. She invited Maria Blundy, the Head of Built Environment, to speak about this.

Ms Blundy explained to members that all reports on asbestos from LCC had been received and were being distributed to all sites to familiarise staff on the management and monitoring of any asbestos that may be present. In regards to the legionella risk assessments, Ms Blundy updated members that they had now received 32 risk assessment reports instead of 7 as stated in the report pack, and were awaiting another 28 reports. She also explained to members that they had yet to appoint a Compliance Surveyor, and instead were looking at adjusting current roles to include the statutory requirements. She assured members that all works had been carried out, and were merely waiting on paperwork that had been delayed by the pandemic. She explained to members that this wait was due to issues at LCC, and that due to a lack of resources they had to outsource to external experts in this field.

Members asked questions in relation to:

- in-house checks
- relationships with LCC
- checks on other public spaces maintained by the Council
- the 'fair' rating and whether it should be downgraded to 'weak' to reflect the seeming lack of progress

The committee indicated that they wanted to see an improvement and avoid a further 'fair' or 'weak' outcome following the review in January and requested an update at the next meeting in March 2022. The Audit and Risk Manager continued with the remainder of the 6 monthly update and gave the committee a summary of the other work completed to date by the team in respect of audit, risk management and the annual governance statement.

The Corporate Director Resources responded to a question on YMCA subsidies and provided members with an update on the financial situation. She hoped that the next year would improve as expected and that the YMCA would not exceed agreed subsidy levels, but that the Leisure Management Reserve could be utilised if there were concerns. She explained to members that the situation was different for the theatres, which did not have a specific earmarked reserve and it would be wrong to draw conclusions based on the last two years' subsidy for those venues owing to the pandemic. Going forward they would need to monitor the position and re-evaluate the council's tolerance to subsidising these facilities when the financial settlement position was clearer.

The report was **noted** by members.

### **32 Annual Review of Financial Regulations and Financial Procedure Rules**

The Corporate Director Resources submitted a report which reviewed the Financial Regulations and Financial Procedure Rules, to show evidence that the council had arrangements in place to maintain a sound system of internal control.

The Head of Governance and Business Support introduced the report. She explained that with the exception of the changes to the procurement procedures following the UK's departure from the EU, only minor changes had been made following this review; e.g. grammatical or restructuring changes.

Following discussion, members **approved** the annual review of the Financial Regulations and Financial Procedure Rules.

### **33 Annual Review of the Council's Counter Fraud Policies**

The Corporate Director Resources submitted a report on the annual review of the Council's Counter Fraud Policies, namely: anti-fraud, corruption and bribery; anti-money laundering; whistleblowing; and gifts and hospitality and registering interests.

The Head of Governance and Business Support introduced the report. She explained to members that there were no major changes to the policies.

Following discussion, members **approved** the annual review of the Counter Fraud policies.

#### **34 Approval of the Council's Data Protection Policy and Procedures**

The Corporate Director Resources submitted a report which reviewed the Council's Data Protection Policy and Procedures which included the council's incident/breach reporting and investigation instruction.

The Head of Governance and Business Support introduced the report. She explained that the annual review of the policy is an opportunity to identify any gaps and update following any changes in legislation. She informed members that as the council's DPO she still continued to report to CMT on a quarterly basis. She referred to the infrequency of the meetings of the Information Governance Group but assured the committee meetings would commence again in December, following which an action plan would be formulated and shared with both CMT and the committee. She reported that all the data incidents in paragraph 4.2 had been investigated internally. She also explained that 'Learning Pool', an online training portal for staff had now been launched and included modules for data protection and information security. It was hoped that these would be rolled out as mandatory courses for all staff in the New Year.

Members asked questions on:

- The link between data breaches and hybrid workers
- Data storage
- Updated training for elected members

Following discussion, the members **approved** the amended Data Protection Policy and Procedures report.

#### **35 Annual Review of the Audit's Committee's Performance**

The Corporate Director Resources submitted a report on the annual review of the Audit Committee's performance, considering CIPFA's Self-Assessment of Good Practice contained within the CIPFA publication 'Audit Committees – Practical Guidance for Local Authorities and Police 2018' and to identify actions necessary to ensure that the Audit Committee met best practice guidance.

The Audit and Risk Manager introduced the report. She indicated to members the checklist included in the report had been completed by herself and reviewed by the Corporate Director Resources. No gaps had been identified, however she opened the floor to members asking them to contribute to its completion with the objective being to identify any gaps in knowledge or training.

Members asked questions on:

- The selection of independent members
- How the checklist is measured and who holds the committee to account
- Gaps in data protection knowledge and a request for further training for members
- The size of the committee

The Chairman commended the committee on their performance given the volume and the variety of reports that they are asked to deal with.

The report was **noted** by the committee with some suggestions for future improvement.

### **36 National Fraud Initiative - Data Matching Exercise Year 2020/21**

The Audit, Risk and Performance Lead introduced herself to the committee and presented the report on the 2020/21 National Fraud Initiative (NFI) Data Matching Exercise, identifying how the council had contributed in the detection and prevention of fraud. She explained to members that the last time this report had been presented to the committee was in 2017.

She explained that there was usually a two yearly exercise, however due to the pandemic and limited resources, the 2018/19 report had not been produced. Therefore in the report there were three data sets: the annual council tax SPD exercise; the two yearly national exercise; and a Government Covid-19 Business grants exercise which was new for 2020 / 21. Work was still ongoing to review matches from these exercises. Given the SPD exercise provided the greatest opportunity to identify and recover errors and overpayments, it had been agreed that additional resources would be provided to look into the results of the forthcoming exercise (2021 / 22).

Members asked questions on:

- The errors found and money recovered
- The procedure for supplying information to the NFI
- Support for those accidentally identified
- A specific business grant payment which had been duplicated

The report was **noted** by the committee.

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

The Corporate Director Resources submitted a report on the annual review of the Council's Risk Management Policy.

The Audit and Risk Manager introduced the report. She explained that since the last review of this policy in June 2020, the council had purchased Risk Management Software System (GRACE) which would be used to record the council's strategic, operational and ICT risks, replacing the spreadsheets previously used. The policy had therefore been refreshed to reflect the use of this system, which included a new scoring matrix found at Appendix B of the

policy. She advised the committee that work would continue over the next 12 months to populate the GRACE system with all the risks identified and train all risk owners on the use of the system, enabling them to monitor and update their risks and action plans.

The Audit and Risk Team would continue to oversee the admin of the system and copies of the registers would be published on the HUB.

Following discussion, the committee **approved** the refreshed Risk Management Policy.

### **38 Any Other Business**

The Corporate Director Resources updated members on items that had come to the previous meeting in September. The Post-Audit accounts had not been signed off as expected owing to resourcing issues with the External Auditors. She explained to members that this was not an isolated issue, and that only 9% of all councils nationally had had their accounts signed off by the end of September. With the delay from the External Auditors, a more realistic sign off would be in January.

Paul Hewitson, the external auditor from Deloitte, explained to members that there had been a lack of progress since the September meeting of the committee. They had been unable to mobilise resources to finish the audit, but were currently mobilising all available and trained resources on a high priority basis. He emphasised to members that he had no major concerns, more that the work just needed to be finished. He would be sharing a schedule of the work with the Corporate Director Resources in the New Year, and could not offer anything more but an apology to the committee.

In response to members, Mr Hewitson explained that no work would have to be redone based on current reviews; that there would be no financial penalties for the delay and since this was a national problem that there was unlikely to be any reputational repercussions to this.

### **39 Date of next meeting**

The next meeting of the Audit Committee would be Tuesday 01 March 2022 at 6pm in the Council Chamber.

The meeting started at 6.04 pm and finished at 7.56 pm.

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