



Audit and Standards Committee Minutes

The minutes of the Audit and Standards Committee meeting of Wyre Borough Council held on Tuesday, 26 September 2023 at the Council Chamber - Civic Centre, Poulton-le-Fylde.

Audit and Standards Committee members present:

Councillors Ibison, Minto, Bolton, Duffy, Higgs, Jackson, Leigh, Rendell, Sorensen, Belshaw, A Walker, Wells and Paul Taylor (Independent Member)

Other councillors present:

Councillor McKay

Officers present:

George Ratcliffe, Assistant Democratic Services Officer
Daphne Courtenage, Democratic Services Officer
Veronica Wilson, Head of Finance
Joanne Billington, Head of Governance and Business Support
Clare James, Corporate Director Resources and Section 151 Officer
Paul Hewitson, External Auditor (Deloitte)

No members of the public or press attended the meeting.

18 Declarations of interest

None.

19 Confirmation of minutes

The minutes of the meeting of the Audit & Standards Committee held on Tuesday 25 July 2023 were **confirmed** as a correct record by those who were in attendance.

20 Update report on the Statement of Accounts 2020/21 (Post-Audit)

The Chair welcomed Paul Taylor as the new Independent Member of the Audit Committee.

The Corporate Director Resources (Section 151 Officer), introduced the item to members and gave a short summary of the position to date, including the main reasons for the delays in the sign off of the 2020/21 accounts.

Councillor McKay (previous Chair of the committee) was invited to speak and give a summary of the historic process to the new members of the committee and provide assurances to them on the content within the statements. She indicated that she was supportive of approving the accounts when they were originally presented to the committee two years ago and still is and that the focus is now about getting them across the line.

The External Auditor took the committee through the External Audit (ISA 260 Report) for Wyre Borough Council for 2020/21 in detail by means of providing additional training for the committee. He explained that the purpose of the report was to communicate to the council the significant matters arising from the audit.

He highlighted the four significant risks that had been identified:

- recognition of Covid-19 grant income;
- inappropriate capitalisation of expenditure;
- valuation of property assets, and;
- management override of controls

He also highlighted the pension liability valuation and infrastructure assets as other areas of focus. He explained that their value for money work was on-going and would be reported in full in their Auditor's Annual Report.

With regards to the insights and recommendations, in particular around journal transfers, Councillor Walker asked if the management response met Deloitte's recommendation. It was explained to the committee that whilst the council's approach was not believed to be best practice, management had their own mitigation of risk process and it was for the committee to decide if they were comfortable with this. The Corporate Director Resources (Section 151 Officer) highlighted that as a small local authority it was about balancing resources and capacity within the team and there were controls in place to mitigate the risk.

Councillor Belshaw asked for clarification around the fees paid to the external auditor.

Paul Taylor asked a question around the layout of Deloitte's dashboards, in particular why there were no conclusions which Paul Hewitson took on board.

Councillor McKay left the meeting.

21 Management Representation Letter

The Corporate Director Resources (Section 151 Officer) clarified that before the next meeting she and the Chair expected to be in a position to sign off the Statement of Accounts and the Management Representation Letter. She explained that the formal sign off of the accounts would happen outside of the committee in this case.

The committee agreed to defer this item.

Councillor Bolton entered the meeting.

22 Statement of Accounts 2022/23 (Pre-Audit)

The Corporate Director Resources (Section 151 Officer) submitted a report on the Statement of Accounts and the final capital and revenue position of the financial year 2022/23.

The Corporate Director Resources (Section 151 Officer) introduced the report to members. She reminded members that prior to this meeting, a recorded training presentation had been circulated.

She highlighted that the statutory deadline, for signing off the audited accounts (30 September 2023) would not be met and this was a national issue.

The Corporate Director Resources (Section 151 Officer) and the Head of Finance, Veronica Wilson had pre-prepared a Q&A pack for the committee which highlighted the key issues and provided an explanation to the notes to the accounts. The pack was circulated to the members at the start of the meeting.

The Corporate Director Resources (Section 151 Officer) addressed questions 1 (narrative statement), 2 (revenue variances), 4 (water rates expenditure), 5 (tree maintenance), 9 (employee costs), 16 (planning fees) and 21 (revenue slippage) in the Q&A pack.

Members raised the following questions around:

- the on-going RAAC (Reinforced Autoclaved Aerated Concrete) problem;
- whether there was a budget in place for annual tree surveying for public areas;
- relationship between lower rates of pay and underspend;
- the underspend on parks and open spaces;
- salary costs not being impacted by the equal pay issues at other councils;
- whether planning fees were an income generator or whether they only covered department costs – it was agreed the cost centre account for Development Control would be shared with the committee prior to the next meeting;
- whether applicants were charged proportionally dependent on scale of the development;

- housing benefit overpayments;
- why the council used an external company for enforcing environmental crime fines;
- costs of living grants funding, and;
- provision for the revenue slippage items in the 2023/34 accounts;

Officers responded to the questions raised by members.

Councillor Belshaw left the meeting.

The Head of Finance addressed questions 26 (Comprehensive Income and Expenditure Statement (CIES)), 29 (balance sheet), 31 (long term liabilities) and 34 (officers' remuneration) in the Q&A pack.

Members raised the following questions around:

- short term deposits and;
- the pay gap between the Chief Executive and Directors;

Officers responded to the questions raised by members.

The Corporate Director Resources (Section 151 Officer) addressed question 37 (recommendations from last year's audit) in the Q&A pack.

After concluding the Q&A pack and training on the Statement of Accounts 2022/23, the Corporate Director Resources (Section 151 Officer) asked that her thanks to the Finance team and Veronica for their hard work be minuted.

In accordance with paragraph 3.1 of the report, the Chair approved the Statement of Accounts 2022/23.

23 Annual Audit Fee Letter

The Corporate Director Resources (Section 151 Officer) explained that the council no longer received an audit fee letter and therefore it was recommended that the audit fee letter should not be an agenda item moving forward.

The committee agreed with the recommendation.

24 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 Auditor, Paul Hewitson, as provided for in the Committee's work programme.

(The Corporate Director Resources (and Section 151 Officer), Head of Finance, Head of Governance and Business Support, Democratic Services

Officer and the Assistant Democratic Services Officer left the meeting for this item).

25 Time and date of the next meeting

The next meeting of the Audit and Standards Committee would be held on Tuesday 14 November at 6pm in the Council Chamber.

The meeting started at 6.00 pm and finished at 8.00 pm.

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