

## Audit Committee Minutes

Minutes of the meeting of the Audit Committee of Wyre Borough Council held on Tuesday 8 March, 2016 at the Civic Centre, Poulton-le-Fylde.

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### Audit Committee members present:

Councillor R Amos	Councillor Ingham
Councillor E Anderton	Councillor McKay
Councillor Ballard	
Councillor Barrowclough	
Councillor Fail	
Councillor Holden	

**Apologies:** Councillors Collinson, Greenhough, Jones, Moon, A Turner and Wilson.

### Officers present:

P Davies – Corporate Director of Resources and Section 151 Officer  
C James – Financial Services Manager  
J Billington – Head of Governance  
C Leary – Democratic Services Officer

### Non-members present:

C Paisley, Audit Manager of KPMG  
Cllr I Amos

### Members of the public present:

None

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### Audit. 39 Welcome and apologies of absence

The Chairman welcomed everyone to the meeting of the Audit Committee.

Apologies as detailed above.

### Audit. 40 Declarations of interest

None.

### Audit. 41 Confirmation of minutes

**RESOLVED** that the minutes of the Audit Committee meeting held on 10 November 2015 were confirmed as a correct record.

In relation to minute Audit 33, the Head of Governance provided an update on the focus on information security e-learning test, detailing those members who had still not completed the exercise; namely Cllr's Matthew Vincent, Beavers and Collinson. It was acknowledged that two of the three members reported experiencing IT problems and the third member may have completed something similar in their role as a County Councillor.

Joanne also explained that the Head of Built Environment had not been invited to attend the meeting as agreed previously, due to her involvement in the follow-up audit being completed by Mazars. Joanne confirmed that the results of this work would be circulated as soon as possible.

Clare James was introduced to the Members as the new S151 Officer from the 1 July 2016.

**Audit. 42**      **Review of Audit Committee's Terms of Reference**

The audit committee's terms of reference are subject to an annual review, in accordance with CIPFA's best practice guidance 'Audit Committees – Practical Guidance for Local Authorities'.

The Head of Governance took members through each of the core functions highlighting one minor spelling amendment. In relation to the core function concerning risk management, Joanne explained that the strategic risk workshop had taken place the previous day with the Chairman in attendance. The Chairman commented that the workshop was very informative and it was clear that key risks facing the organisation were being robustly discussed and documented.

Joanne reminded committee members of the opportunity to shadow the Senior Auditor and observe auditing practices. Joanne also explained that following publication of the internal audit reports on the intranet, members could suggest items for discussion by the committee, which could involve attendance by the relevant manager.

**RESOLVED:**

1. that the Audit Committee approved the previously agreed terms of reference, including the one minor correction, accurately reflecting the role of the committee.
2. that the new terms of reference be recommended to full Council on 14 April 2016, for approval.

**Audit. 43**      **Annual Internal Audit Plan 2016/17**

The Head of Governance introduced the report and explained how The Accounts and Audit Regulations 2015 require a "relevant authority, to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, whilst taking into account public sector internal auditing standards or guidance."

Joanne took members through each section of the audit plan explaining how audits are selected to appear in the plan and how it is decided how many days will be allocated to each piece of work.

It was suggested that the individual members of the new Corporate Management Team be invited to attend an audit committee during 2016/17, with a view to supporting the committee, especially recognising their role in ensuring effective governance arrangements are in place. It was suggested that the Chief Executive be invited to attend to discuss the Election Accounts report once issued and the new Service Directors be invited to discuss the progress they have made in relation to the 'position statements for new Service Directors' audit that will be completed in early April.

**RESOLVED:** That the Annual Internal Audit Plan for 2016/17 be approved.

**Audit. 44**    **Certification of Claims & Returns Annual Report 2014/15**

Chris Paisley, Audit Manager at KPMG introduced the report, which summarised the results of their work on the certification of Wyre Council's 2014/15 claims and returns namely, the Housing Benefit subsidy claim. Chris explained that they did not identify any issues or errors with the claim and they therefore certified the claim unqualified and without amendment.

**RESOLVED:** that the Certification of Claims and Returns Annual Report for 2014/15 report be noted.

**Audit. 45**    **External Audit Plan 2015/16**

Chris presented the report which describes how KPMG will deliver their audit work for Wyre Council and sets out their approach to the value for money conclusion. For the 2015/16 audit year there is a new overall criterion supported by three new sub-criteria.

Members were informed that the audit fee had reduced by 25% when compared to 2014/15.

Chris explained that Andrew Smith would replace Tim Cutler with immediate effect and that he would replace Jillian Burrows as our new Audit Manager.

The Chairman asked Chris if he anticipated any problems with bringing the date for the certification of the accounts forward by two months in 2017/18. He stated that he didn't envisage any problems. Cllr Fail asked Chris to give some examples of what would be considered as a "significant risk", Chris referred to the robustness of financial planning and long-term resilience but also went on to say that arrangements being in place and not necessarily the outcomes were key. Auditor judgements would also be made as to the level of material uncertainty.

**Resolved:** That the External Audit Plan 2015/16 from KPMG, the External Auditors, be noted.

**Audit. 46**    **Appointing your External Auditor from 2018/19 onwards**

Chris delivered a presentation on considerations for the local government sector, explaining that the date by which the appointment of Wyre's external auditors must be made, is 31 December 2017. The Corporate Director of Resources confirmed that the Local Government Association had suggested a sector led approach. The item was also tabled for discussion at the next meeting of the Chief Financial Officers taking place on Friday 18 March.

**Resolved:** That the appointing your external auditor presentation by KPMG, be noted.

**Audit. 47**    **Periodic private discussion with Head of Internal Audit**

Audit Committee Members are provided annually with an opportunity to speak to the Head of Governance in confidence, in accordance with the Audit Committee work programme.

The Corporate Director of Resources, the External Auditor and the Democratic Services Officer left the room for this item.

**Audit. 48**    **Date and time of next meeting**

Audit Committee Meeting, Tuesday 24 May 2016 at 6pm in Committee Room 1.

The meeting started at 6pm and finished at 7.15pm, with an additional 30 minutes for the private discussion.

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