

Audit Committee Minutes

Minutes of the meeting of the Audit Committee of Wyre Borough Council held on Tuesday 10 March, 2015 at the Civic Centre, Poulton-le-Fylde.

Audit Committee members present:

Councillor E Anderton	Councillor McCann
Councillor Balmain	Councillor McKay
Councillor Brooks	Councillor Moon
Councillor Greenhough	Councillor T Taylor
Councillor Hodgkinson	Councillor Wilson
Councillor Jones	

Apologies: Councillors Amos, Rogers and Treece-Birch and J Billington – Head of Governance.

Officers present:

P Davies – Corporate Director of Resources and Section 151 Officer
K McLellan – Senior Auditor
C Leary – Democratic Services Officer

Non-members present:

J Burrows, Senior Manager of KPMG

Members of the public present: None.

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 11 November 2014 were confirmed as a correct record.

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 best practice guidance. The Senior Auditor explained that the wording had been revised to reflect the new CIPFA guidance.

The Corporate Director of Resources took Audit Committee members through each of the core functions and confirmed there was a meeting to discuss the Councils Strategic Risk Register later in the week, with any updates being considered by Audit Committee members at a future meeting. Philippa also reminded members that training on the Statement of Accounts was scheduled for the next meeting in May.

There was a brief discussion about the different assurances that exist and the potential for risk/fraud.

RESOLVED that the Audit Committee's Terms of Reference for 2015, be agreed and the new terms of reference be recommended to full Council on 16 April 2015, for approval.

Audit. 43 **Annual Internal Audit Plan 2015/16**

The Senior Auditor introduced the report and explained how the strategic risk register, the Business Plan and the Annual Governance Statement influenced the plan. The Senior Auditor explained that key financial system audits are subject to a full system based audit every two years.

It was noted that the date within the first column should be changed to read 2015/16. The Senior Auditor confirmed that there had been no whistleblowing incidents this year and members enquired how whistleblowers were protected within the organisation.

Philippa confirmed that the cost per day for Lancashire County Council audit in 2013/14 was £264.

Karen highlighted the inclusion of an audit concerning the YMCAs operation of Thornton and Poulton Leisure Centres, due to the significant investment in 2014/15.

Councillor Moon enquired about potential changes concerning the payment of Housing Benefit to claimants instead of Landlords. (An email response was subsequently provided by the Head of the Contact Centre).

RESOLVED: That the Annual Internal Audit Plan for 2015/16 be approved.

Audit. 44 **Certification of Claims & Returns Annual Report 2013/14**

Jillian Burrows, Senior Manager at KPMG introduced the report, which summarised the results of their work on the certification of Wyre Council's 2013/14 claims and returns, and included the Housing Benefit subsidy claim. Jillian 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 2013/14 report be noted.

Audit. 45 **External Audit Plan 2014/15**

Jillian 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. Jillian explained the framework in place with the Audit Commission until March 2015 and that in the future, Wyre council will be able to appoint the external auditors via a tendering process, recognising that what they are required to do is heavily regulated.

Councillor McKay enquired about the one recommendation raised in the ISA 260 report, as referred to on page 8 of the Audit Plan, which related to the Business Rates Appeals provision. Jillian explained that it is essential that any judgements applied by management must be fully supported.

Members enquired about the type of additional work that External Auditors may be required to perform and were provided with examples.

Jillian confirmed that KPMG had been appointed as the Councils external auditors for two years from 2015/16.

Resolved: That the External Audit Plan 2014/15 from KPMG, the External Auditors, be noted.

Audit. 46 **Confirmation of auditor appointment from 2015/16**

Jillian referred to the letter from the Audit Commission dated 15 December 2014, confirming the re-appointment of KPMG LLP to audit the accounts of Wyre Borough Council for two years from 2015/16. The appointment being made under section 3 of the Audit Commission Act 1998 and approved by the Audit Commission Board at their meeting on 4 December 2014. The letter also explained that the Commission's contracts with audit firms is extendable by three years. The Department for Communities and Local Government (DCLG) has indicated it will make a decision in summer 2015 about whether to extend the contracts from 2017 to 2020.

Resolved: That the confirmation of auditor appointment letter from 2015/16, 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. As the Head of Governance was away on a training course, the Senior Auditor offered to speak to members in private.

Prior to the Corporate Director of Resources, the External Auditor and the Democratic Services Officer leaving the room for this item, the Chairman and Members from the committee expressed their thanks to Philippa and her team, for their time and effort in making the Audit Committee meetings not only interesting but also a pleasure to attend.

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

Audit Committee Meeting, Tuesday 26 May 2014 at 6 pm in Committee Room 1.

The meeting started at 2.00 pm and finished at 3.09 pm, with an additional 30 minutes for the private discussion.

Date of Publication: Monday 16 March 2015

arm/audit/mi/100315