

## Audit Committee Minutes

Minutes of the meeting of the Audit Committee of Wyre Borough Council held on Tuesday 22 September, 2015 at the Civic Centre, Poulton-le-Fylde.

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

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| Councillor R Amos       | Councillor Jones    |
| Councillor Ballard      | Councillor McKay    |
| Councillor Barrowclough | Councillor Moon     |
| Councillor Collinson    | Councillor A Turner |
| Councillor Fail         | Councillor Wilson   |
| Councillor Greenhough   |                     |

**Apologies:** Councillors' E Anderton, Holden and Ingham and J Burrows – KPMG External Auditors

### **Officers present:**

P Davies – Corporate Director of Resources  
J Billington – Head of Governance  
H Rawding – Head of Finance  
C James – Financial Services Manager  
P Harrison – Financial Services Manager  
K McLellan – Senior Auditor  
C Leary – Democratic Services Officer

### **Non-members present:**

T Cutler – KPMG External Auditors and Councillor I Amos

**Members of the public present:** None

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### **AUDIT. 17 WELCOME AND APOLOGIES OF ABSENCE**

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

Apologies as detailed above.

### **AUDIT. 18 DECLARATIONS OF INTEREST**

None.

### **AUDIT. 19 CONFIRMATION OF MINUTES**

The minutes of the Audit Committee meeting held on Tuesday 30 June 2015 were confirmed as a correct record.

## **AUDIT. 20 STATEMENT OF ACCOUNTS 2014/15 (POST AUDIT)**

The Corporate Director of Resources submitted a report seeking Audit Committee's approval of the Council's published Statement of Accounts, following the completion of the audit, for the financial year 2014/15. The Audit Committee had approved the unaudited accounts for the 2014/15 financial year at their meeting on 30 June 2015. Following approval, the Statement of Accounts would be signed, dated and published on the web site, no later than 30 September 2015.

**RESOLVED** that approval be given to the Council's published Statement of Accounts for 2014/15.

## **AUDIT. 21 MANAGEMENT REPRESENTATION LETTER 2014/15**

The Corporate Director of Resources introduced the Management Representation Letter, the content of which is determined by KPMG. The letter would be signed by the Chairman of Audit Committee and the Chief Financial Officer, prior to it being sent to KPMG, the Council's External Auditors.

**RESOLVED** that the Management Representation Letter for 2014/15, signed by the Chairman of the Audit Committee and the Chief Financial Officer be sent to KPMG.

## **AUDIT. 22 REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) 2014/15**

Tim Cutler, a partner from the Council's external auditors (KPMG LLP (UK)) summarised the work that had been carried out to discharge their statutory audit responsibilities.

He provided Members with an overview of the report, summarising the headline messages for the Authority and key findings, namely;

- They anticipate issuing an unqualified audit opinion on the Authority's financial statements by 30 September 2015.
- They will report that the Annual Governance Statement complies with guidance issued by CIPFA/SOLACE.
- There were no unadjusted audit differences.
- A small number of presentational adjustments were required in relation to the audit fee, related parties and plant, property and equipment.
- The Authority has good processes in place for the production of the accounts and good quality supporting working papers.

Tim went on to say that there was a strong control environment in place at Wyre and as auditor's, they were confident that Wyre had cost improvement plans in place. He recognised the good work of the Finance Team and thanked officers for dealing promptly and efficiently with audit queries.

**RESOLVED** that the External Auditors Report to those charged with Governance, referred to as the ISA 260, for 2014/15, be noted.

## **AUDIT. 23 FINANCIAL REGULATIONS AND FINANCIAL PROCEDURE RULES – ANNUAL REVIEW**

The Corporate Director of Resources introduced the report and explained that the Financial Regulations and Financial Procedure Rules are reviewed annually, in accordance with best practice guidance.

The evidence of the regular review helps the Council demonstrate that it has put arrangements in place to maintain a sound system of internal control.

The Corporate Director of Resources referred to the proposed amendments listed in paragraph 5.1 of the report.

**RESOLVED** that the proposed changes to the Financial Regulations and Financial Procedure Rules – Annual Review are noted and approved.

## **AUDIT. 24 INTERNAL AUDIT CHARTER**

The Head of Governance introduced the report, explaining that the agreement of the Internal Audit Charter for the Audit and Risk Management Section ensuring compliance with the Public Sector Internal Audit Standards (PSIAS) is a requirement that came into force on 1 April 2013, superseding CIPFA's Code of Practice for Internal Audit in Local Government.

In response to a question from Councillor Fail, Joanne confirmed that the processes were regularly reviewed as part of the delivery of the audit plan and the completion of individual audits.

**RESOLVED** that the Internal Audit Charter and Code of Ethics be agreed.

## **AUDIT. 25 ANNUAL REVIEW OF THE RISK MANAGEMENT POLICY**

The Senior Auditor introduced the report, explaining the benefits of the Council's Risk Management approach, and indicated there had been no significant amendments to the Risk Management Policy. The Risk Register is available to view on the intranet along with the proposed actions to mitigate the risks.

The aim of the Risk Management Policy is to establish and operate an effective system, not only to minimise risk but to also enable continuous improvement at every level of the organisation. Members were informed that the Council's approach to risk management is key and the registers are updated at least every six months. The Audit Committee are asked to review the Risk Management Policy every year and the last review was completed in August 2014.

In response to a question from Cllr Moon about asylum seekers and Syrian refugees, Philippa reiterated that whilst Wyre are in discussions with DCLG regarding the process for accommodating asylum seekers, further advice is awaited about the co-ordinated response for refugees.

In response to a question from Cllr Turner about volumes of data, Joanne referred to data sampling software and techniques that were available to auditors to help focus their limited audit resource.

In response to a question from Cllr Fail, Joanne confirmed that officers were encouraged to review risk actions plans more frequently than six monthly and that risk ratings were regularly reviewed. She went on to say that risk identification was everyone's responsibility – employees, managers and elected members.

**RESOLVED** that the Annual Review of the Risk Management Policy document be approved.

**AUDIT. 26      REVISION OF THE 2015/16 AUDIT PLAN**

The Head of Governance introduced the report explaining why the plan required revision and seeking member's approval for the inclusion of the Information Governance work.

**RESOLVED** that the revised annual Audit Plan for 2015/16 be approved.

**AUDIT. 27      TIME AND DATE OF NEXT MEETING**

**Audit Committee Meeting, Tuesday 10 November at 6pm in Committee Room 1**

**AUDIT. 28      PERIODIC PRIVATE DISCUSSION WITH EXTERNAL AUDITORS**

Audit Committee members were given the opportunity to speak to the External Auditor in confidence, in accordance with the Audit Committee work programme.

*The Corporate Head of Resources, Head of Governance, Senior Auditor, Head of Finance and both Financial Services' Manager's and the Democratic Services Officer left the room for this item.*

The meeting started at 6pm and finished at 6.48pm

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