

## Audit Committee Minutes

The minutes of the Audit Committee meeting of Wyre Borough Council held on Tuesday, 18 June 2019 at the Civic Centre, Poulton-le-Fylde.

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

Councillors McKay, Ingham, R Amos, Cartridge, E Ellison, George, Longton, Minto, Moon, O'Neill, Stirzaker, L Walmsley and Webster.

### **Apologies for absence:**

Councillor Holden.

### **Other councillors present:**

Councillor I Amos.

### **Officers present:**

Joanne Billington, Head of Governance

Karen McLellan, Senior Auditor

Clare James, Head of Finance and Section 151 Officer

Paul Hewitson, External Auditor (Deloitte)

Joe Stone, External auditor (Deloitte)

Roy Saunders, democratic services and Scrutiny Manager

Emma Keany, Governance Trainee.

No members of the public or press attended the meeting.

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## **10 Confirmation of minutes**

With reference to minute 4, Cllr Stirzaker said that she had now been informed that there was no Fleetwood Town Council meeting planned for November 2019 and there was, therefore, no clash with the meeting of the Audit committee on 19 November.

**Agreed** that the minutes of the Audit committee meeting held on 28 May 2019 be confirmed as a correct record.

## **11 Declarations of interest**

None.

## **12 Marine Hall Audit: Update**

The Senior Auditor submitted a follow-up progress report to the 2017/18 audit report on the Marine Hall setting out the position, as at April 2019, on the findings and agreed actions listed in the original report.

The Senior Auditor gave a verbal report explaining the background to the audit and the progress since then on the implementation of the action plan. She said that although there were some issues still to be addressed, the overall audit opinion had improved from “weak” to “fair”.

The Commercial Manager, Waterfront and Venues also gave a verbal update. She said that she had been in-post since mid-2017 and stated that the Senior Auditor’s regular visits to the Marine Hall to help improve systems and processes had been very beneficial. She re-iterated the view expressed by the Senior Auditor that things were moving in the right direction, but acknowledged that there were still improvements to be made.

The Commercial Manager responded to questions from members of the Committee relating to:

- her own role;
- a review, currently being undertaken, of staffing levels and responsibilities at the Marine Hall, including the use of agency staff;
- her plans to implement a staffing re-structure to improve job satisfaction, flexibility and productivity;
- staff training;
- cash reconciliation procedures
- advertising and promotion of events;
- budget issues and financial performance;
- plans for the possible future introduction of contactless payments.

The Head of Governance said that she was confident that the revised documents and procedures which had now been put in place at the Marine Hall would be effective. It was also positive that a draft Service Plan had been drawn up and was already being worked to. She was hopeful that the staffing re-structure, which the Commercial Manager had referred to, would enable certain tasks to be undertaken in a more efficient and thorough way and so resolve the remaining issues that had been identified in audit reports.

**Agreed** that the latest position on the implementation of the audit action plan for the Marine Hall be noted and that the Audit Committee be kept informed of progress on the outstanding issues.

**13**

### **"Training": Statement of Accounts 2018/19**

The Head of Finance (Section 151 Officer) made a presentation on the format and contents of the council’s accounts in advance of the requirement for the Committee to approve the 2018/19 Statement of Accounts at its next meeting on 23 July.

Copies of the slides presented by Head of Finance (Section 151 Officer) were

circulated to members present and are attached as an appendix to these minutes.

When making her presentation, the Head of Finance (Section 151 Officer) said that the information in her slides was consistent with a guidance document published by the Chartered Institute of Public Finance and Accountancy (CIPFA), which members of the Committee had previously been referred to and was available on CIPFA's website. She referred during her presentation to the latest draft version of the Statement of Accounts for 2018/19, copies of which had been made available to members of the Committee and had been published on the Council's website. She said that the draft accounts did not yet include an independent auditor's report, which would be inserted when the auditing work they were currently undertaking had been completed.

The Head of Finance (Section 151 Officer) explained what had to be included in the Statement of Accounts. She referred to the Narrative Report section, which provided a summary of the whole document and was a very useful overview of the accounts which 'told the story' in words as well as figures. She provided a number of examples to illustrate where information could be found within the statement of accounts and drew attention to the Summary of Financial Performance, the Statement of Responsibilities, the Annual Governance Statement, the Income and Expenditure Statement, the Movement in Resources Statement, the Balance Sheet, the Cash Flow Statement and the Notes to Financial Statements.

**Agreed** that the contents of the presentation be noted and that members of the Committee be asked to read through the copies of the slides and to familiarise themselves with the draft Statement of Accounts for 2018/19 before the next meeting.

#### **14 Risk Management Policy: Annual Review**

The Head of Finance (Section 151 Officer) submitted a report on the annual review of the council's risk management policy.

The Head of Governance said that the council's arrangements for regularly assessing and mitigating both strategic and operational risks were well established and worked well. She drew attention, in particular, to the responsibilities of Councillors with regard to risk management, which were set out in paragraphs 3.1 to 3.3 of the policy.

**Agreed** that the Risk Management Policy attached as Appendix 1 to the report be approved.

#### **15 Annual Governance Statement of Assurance from the previous Committee**

The Chairman of the Committee (Cllr McKay) said that, at the Audit Committee meeting held on 12 March 2019 she had explained that, in view of the elections to be held on 2 May 2019 and, in anticipation of around one third of members not standing again, discussions had been held with the external

auditors about any transitional steps it might be advisable for the Committee to take. The external auditors had recommended that the 2018/19 Audit Committee should provide a Statement of Assurance on the Annual Governance Statement (AGS) to reflect that it accurately represented the organisation, as the Committee saw it. Cllr McKay said that, to make this as meaningful as possible, it had been proposed that, following the Annual Governance Statement workshop to be held by senior officers at the end of April 2019, the Head of Governance would circulate to her, as the then current Chair of the Audit Committee, a draft copy of the updated AGS. This arrangement had been put in place and she had, on behalf of the Committee, subsequently reviewed and endorsed the draft document and had provided the required Statement of Assurance.

This Committee was now being asked to approve the final AGS under the next item on the agenda.

**Agreed** that the action taken be noted.

## **16 Annual Governance Statement 2018/19**

The Head of Finance (Section 151 Officer) submitted a report on the draft Annual Governance Statement 2018/19.

The Head of Governance introduced the report and said that this was an important, high level strategic document. It was still currently a draft version, which Members still had the opportunity to challenge, before it was signed off by the Leader of the Council and the Chief Executive before being included in the Statement of Accounts.

The Head of Governance drew attention to the information in Section 5 of the Statement providing evidence to demonstrate how the Council had complied in with the core principles set out in the CIPFA/SOLACE framework.

The Head of Governance said that, this year, there were no significant governance issues which needed to be specifically identified in Section 9 of the Statement. Sufficient progress had been made on the implementation of the General Data Protection Regulations 2018, for the concerns included in the previous Statement for 2017/18 to be removed.

The Head of Governance stressed, however, that the AGS Action Plan needed to be monitored by the Corporate Management Team to ensure that the matters included were properly addressed.

**Agreed**, having reviewed the documents submitted, that the draft Annual Governance Statement 2018/19, incorporating the Council's Code of Corporate Governance, be formally approved.

## **17 Date of next meeting**

**Noted** that the next meeting of the Committee was scheduled for Tuesday 23

July 2019.

**18 Periodic private discussion with External Auditor**

In accordance with the Audit Committee's work programme, the Audit Committee Members were given their annual opportunity to speak in confidence to the External Auditor at the end of the meeting.

The Head of Finance, the Head of Governance and the Democratic Services and Scrutiny Manager left the room for this item.

No significant issues were raised or required actions identified.

The meeting started at 6.00 pm and finished at 7.45 pm.

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