



# MINUTES

## Audit and Standards Committee

<b>Date:</b>	Thursday, 15 November 2018.
<b>Venue:</b>	Town Hall, St Annes.
<b>Committee Members Present:</b>	Councillor John Singleton JP (Chairman) Councillor David Donaldson (Vice-Chairman) Councillors Delma Collins, Susan Fazackerley, Edward Nash, Louis Rigby, Roger Small.
<b>Officers Present:</b>	Paul O'Donoghue, Dawn Highton, Tracy Manning and Tara Walsh.
<b>Others Attendees:</b>	Paul Hewitson, Joe Stone (Representatives of Deloitte), Andrew Taylor (Corporate Fraud Manager) and 1 member the public.

### 1. Declarations of Interest

Members were reminded that any disclosable pecuniary interests should be declared as required by the Localism Act 2011 and any personal or prejudicial interests should be declared as required by the Council's Code of Conduct for Members. No interests were declared on this occasion.

### 2. Confirmation of Minutes

RESOLVED: To approve the minutes of the Audit and Standards Committee held on 20 September 2018 as a correct record for signature by the Chairman.

### 3. Substitute Members

The following substitution was reported under Council procedure rule 22 (c):

Councillor Susan Fazackerley for Councillor Graeme Neale.

#### Standards Items:

### 4. Issues Raised with the Monitoring Officer

Mrs Tracy Manning, Director of Resources, was invited to present the Monitoring Officer's periodic report. In doing so, she made reference to the table set out on page 4 of the report which identified the nature of the allegations made in the complaints since the previous report was presented to the committee in May 2018. The report highlighted five Borough matters and three Parish matters had been brought to attention of the Monitoring Officer.

#### Audit Decision Items:

### 5. Constitution Amendments

(Councillor Roger Small arrived for the meeting prior to the discussion of this item)

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Mrs Tracy Manning, Director of Resources, presented a report detailing a proposal from the Constitution Review Working Group to amend Part 4 of the Councils Constitution, the Council Procedure Rules. She explained that the amendment which was set out on page 7 of the report would make reference to a new procedure rule concerned with formalising remote attendance at Council meetings.

Mrs Manning went on to explain that the topic of remote attendance had been discussed and reviewed in detail by the Member Development Steering Group as part of their remit to promote member wellbeing and as a result, a similar report would be presented to the Finance and Democracy Committee to discuss the practicality of facilitating remote attendance.

Mrs Manning outlined that any member attending a meeting by means of remote access would be limited to participating in the discussion and could not validly vote on matters. Similarly, members attending by remote access would be counted as not having attended the meeting for the purposes of the six month rule.

The Chairman went on to invite Councillor Ed Nash, Chairman of the Member Development Steering Group, to provide further information on the report. By way of response, Councillor Nash expressed his confidence in the practicality of facilitating remote attendance and welcomed the committee to agree the recommendation contained in the report.

Following a full discussion it was AGREED to recommend to Council that the Council Procedure Rules contained within the Constitution be amended to allow for remote access at Councils meeting, in accordance with the wording shown on page 7 of the report.

### 6. Complaint Handling Assessment Criteria

By way of introduction, Mrs Tracy Manning, Director of Resources, explained that in March 2018 the committee asked for complaint handling assessment criteria to be drafted and presented for consideration at a future committee meeting. The criteria, which was attached as an appendix to the report, would serve as useful guidance to the Monitoring Officer and those seeking to make complaints. Furthermore, the guidance would also highlight that the Council would not consider anonymous complaints.

It was also noted that the Committee on Standards and Public Life were in the process of undertaking a review of Local Governments ethical standards and as a result, national procedures may emerge. Members were informed that in the meantime, the assessment criteria included in the report would be referred to in complaint handling.

The committee AGREED:

1. To endorse the draft complaint handling assessment criteria attached as appendix 1 of the report.
2. That a further report be presented at a future meeting of the Audit and Standards Committee in regard to the outcome of the local government ethical standards review.

### 7. Mid-Year Prudential Indicators and Treasury Management Monitoring Report 2018/19

The Chairman invited Paul O'Donoghue, Chief Financial Officer, to present the mid-year prudential indicators and treasury management monitoring report. In doing so, he explained that the report had been prepared in line with the recommendations of CIPFA's (Chartered Institute of Public Finance Accounts) Code of practice on Treasury Management 2011.

Mr O'Donoghue outlined the background to the preparation of the report and included an update on the UK economy/outlook; interest rate forecast; regulatory updates; debt management/investment strategy together with details of compliance with prudential indicators.

Included as appendices to the report were: Glossary of Treasury Terms & Treasury Management and Prudential Indicators Frequently Asked Questions together with a copy of the Prudential Indicators, each of which Mr O'Donoghue explained to the Committee.

At this juncture, the Chairman directed members to item 3 of the report which explained that from December 2019 the Council would become debt free.

Following consideration of this matter it was AGREED:

1. To recommend to Council that the revised Prudential Indicators and Limits, as detailed in Appendix B of the report be approved.
  2. To thank the Finance team for their efforts in securing best value and ensuring the Council becomes debt free in December 2019.
8. Fighting Fraud and Corruption Locally – The Local Government Counter Fraud Strategy

Ms Dawn Highton, Head of Internal Audit, was invited to present the report. In doing so, she explained that an assessment had recently been undertaken which compared the Council's current arrangements on fraud and corruption with guidance issued by CIPFA (Chartered Institute of Public Finance Accounts). Members were informed that the result of the assessment had been included by way of a checklist contained in Appendix 1 of the report.

To summarise, the assessment confirmed that there were 5 areas where the Council needed to strengthen its current arrangements and these were detailed further on page 24 of the report.

Questions were asked in regards to the checks undertaken on external contractors and also in regards to the resources required to complete the actions contained on page 24 of the report. These were answered in full by Ms Highton.

The Committee AGREED to note the report.

Audit Information Items:

9. Corporate Fraud Team – National Fraud Initiative

The committee noted the contents of the Cabinet's Office's report on the National Fraud initiative for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2018. Furthermore, Mr Andrew Taylor, Corporate Fraud Manager, provided the committee with an overview of Fylde's work on the National Fraud Initiative, as referred to in the report.

The committee were invited to ask questions on the information provided and from this, Mr Taylor highlighted the information set out in the report that since 1st January 2018 the Corporate Fraud team has identified incorrect Small Business Rate Relief and additional business rates liabilities in Fylde, totalling £73,317.98.

10. Regulation of Investigatory Powers Act 2000: Authorisations

In line with the requirements to report on a quarterly basis regarding the use of covert surveillance and covert human intelligence sources, the information report advised that in the quarter to October 2018, there had been no authorised operations.

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