



MINUTES

Audit and Standards Committee

Date:	Thursday, 17 January 2019.
Venue:	Town Hall, St Annes.
Committee Members Present:	Councillor John Singleton JP (Chairman) Councillor David Donaldson (Vice-Chairman) Councillors Delma Collins, Peter Collins, Edward Nash, Sally Nash, Louis Rigby, Roger Small.
Officers Present:	Paul O'Donoghue, Tracy Manning, Dawn Highton and Tara Walsh.
Others Attendees:	Joe Stone, Representatives of Deloitte, 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 15 November 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 Sally Nash for Councillor Graeme Neale.

Audit Decision Items:

4. KPMG Certification of Claims and Returns – Annual Report 2017/18

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

Paul O'Donoghue, Chief Financial Officer, presented the certification of claims and returns annual report form KPMG for 2017/18. He explained that the letter presented to the committee confirmed the certification of one claim, the Housing Benefit Subsidy claim, for £18.415m. It was noted there were no issues or errors with the claims, and the claim was certified unqualified and without amendment. In addition, Mr. O'Donoghue advised that there were no recommendations for the council arising from certifying the claim.

It was therefore RESOLVED:

1. To note the contents of the Certification of Claims and Returns annual report for 2017/18.

2. To formally thank the Finance team for their work on the Certification of Claims and Returns annual report.

5. Terms of Reference – Audit and Standards Committee

Dawn Highton, Head of Internal Audit, presented a report on the findings of an assessment exercised carried out to compare the Council's current practice with the guidance advocated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in their published advice.

Ms Highton began by informing members that the latest guidance incorporates a suggested terms of reference for the Committee and the Internal Audit team have carried out an assessment of these new requirements, as shown appendix A of the report.

Following on from the above, the report proposed that a training day take place in June 2019 to ensure that members of the Committee are fully equipped to meet the requirements of the revised terms of reference and details of this were shown at Appendix B of the report.

Furthermore, the guidance contains a knowledge and skills framework, which allows members to carry out a self-assessment relating to audit and standards, as shown at Appendix C.

The Chairman, Councillor Singleton, proposed an amendment to page 12 and 20 of the revised terms of reference shown in the report. Copies of the amendment were provided to the committee for review at the meeting.

Following a full discussion, it was AGREED to:

1. Recommend that Council, at its meeting on 11 February 2019, adopt the revised Terms of Reference in accordance with the amendment put forward by Councillor Singleton.
2. Accept the proposals in relation to developing members' skills and knowledge.

6. Constitution Amendments – Remote Access to Meetings

(Councillor Louis Rigby arrived for the meeting prior to the discussion of this item)

Mrs Tracy Manning, Director of Resources, presented a report that brought forward work, undertaken by the Constitution Review Working Group, with respect to remote access attendance at meetings. The Working Group had considered a new procedure rule to allow access by such means, and put forward wording to the Audit and Standards Committee (ASC), at its meeting held on 15 November 2018. Following this meeting the ASC commended an amendment to the procedure rules, as detailed in appendix 1 of the report.

Mrs Manning went on to explain that the matter had subsequently been discussed by the Finance and Democracy Committee (FDC), at its meeting on 26 November and as a result, the technology aspect of remote attendance had been signed off for official use, subject to two suggested amendments to the new Procedure Rule. Further detail had been included in appendix 2 of the report.

Mrs Manning explained that Council had referred the matter back to the ASC for further deliberation with specific consideration to the changes recommended by FDC, and those suggested by Councillor Clayton, Vice-Chairman of the Member Development Steering Group, which were detailed in appendix 3 of the report.

The Chairman went onto 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 with the recommendation contained within appendix 3 of the report.

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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 appendix 3 of the report.

7. Internal Audit Interim Report as at 30th November 2018

The committee received information regarding the progress of planned audits against the internal Audit Plan from October to November 2018. A summary was also provided on the current position of the agreed actions arising from internal Audit work.

Members were informed that following a request from the Chairman, Councillor Singleton, all future reports on the topic will categorise the number of recommendations identified for each audit undertaken.

The report also contained details of a new approach to auditing being adopted by Internal Audit and the procurement of a risk management system - GRACE (Governance, Risk and Control Evaluation). Ms Highton offered to demonstrate the system used to facilitate the risk based auditing at a future meeting of the committee

The committee AGREED to:

1. Note the report.
2. Formally thank the Internal Audit team for their work.
3. The new risk management system (GRACE) would be demonstrated to members of the Committee.

Audit Information Items:

8. Corporate Governance Action Plan

The committee received an update on the outstanding actions following the 2018/19 Corporate Governance Action Plan.

An Action Plan had been included in the report and one area of the plan required completion.

9. Mid-Year Update on the Strategic Risk Register

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

The committee noted the mid-year update of the risks contained within the Strategic Risk Register, which provided members with oversight of all strategic risks including those managed by other committees.

Standards Items

10. Exclusion of the Public

Members of the committee were invited to consider passing a resolution excluding the public from the meeting for the consideration of item 10 below in accordance with the provisions of Section 100(4) of the Local Government Act 1972. This was on the grounds that the business to be discussed was exempt information as defined in paragraphs 1 and 2 (Information relating to an individual and Information which was likely to reveal the identity of the individual) of Schedule 12A of the Act.

It was RESOLVED to exclude the public.

11. Issues Raised with the Monitoring Officer

Mrs Tracy Manning, Monitoring Officer, informed the Committee that a complaint had recently been received in relation to a breach of the Code of Conduct.

Mrs Manning informed members that in discussion with Council's investigatory officer regarding this matter, it was felt that the Monitoring Officer should write to all Councillors advising them that a situation has arisen

recently and remind them of their responsibility to make declarations of interest, even when those interests have been registered with the Monitoring Officer.

Following a discussion the Committee AGREED to:

1. Ask the Monitoring Officer to write to all Councillors advising them that a situation has arisen recently and reminding them of their responsibility to make declarations of interest, even when those interests have been registered with the Monitoring Officer.
2. Ask the Monitoring Officer to write to the Subject Member to inform them that the matter had been considered by the committee and draw their attention to the requirement to declare interests as appropriate.
3. To thank the Monitoring Officer for providing a comprehensive report, and to thank the Independent Persons and Investigatory Officer involved for their input into the matter.

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