



MINUTES

Audit and Standards Committee

Date:	Thursday, 13 June 2019
Venue:	Town Hall, St Annes.
Committee Members Present:	Councillor John Singleton JP (Chairman) Councillor Ed Nash (Vice-Chairman) Councillors Paula Brearley, Delma Collins, Peter Collins, Brian Gill, Sally Nash, and Viv Willder.
Officers Present:	Tracy Manning, Dawn Highton, Tara Walsh.
Other Attendees:	Andrew Taylor, Corporate Fraud Manager.

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 meeting held on 25 April 2019 as a correct record for signature by the Chairman.

3. Substitute Members

The following substitution was reported under Council procedure rule 23 (c):

Councillor Viv Willder for Councillor Ellie Gaunt.

Variation of Business

At this juncture, the Committee varied the order of the business on the agenda as set out below.

Audit Information Item

8. Counter Fraud (Annual Report)

Andrew Taylor, Corporate Fraud Manager, was invited to present the report. In doing so, Mr Taylor provided members with an overview of the performance and counter fraud activity undertaken by the Corporate Fraud Enquiry Team during 2018/19.

Following on from the above, clarification was sought in relation to the £94,787.28 in overpayments as referred to in the report. A comparison was also sought in relation to the 2017/18 corporate fraud report. These matters were addressed in full by Mr Taylor.

Audit Decision Items

4. Internal Audit Annual Report 2018/19

Dawn Highton, Head of Internal Audit, presented an overview of the work undertaken by the Internal Audit service during 2018/19, as required by the Public Sector Internal Audit Standards (PSIAS). In doing so, she drew the committee's attention to the internal audit opinion, the performance of the Internal Audit Service and the results of the Quality Assurance and Improvement Programme.

Ms Highton highlighted that eight out of the nine systems/ areas had been reviewed in accordance with the internal audit plan. The final review which related to ICT would be reported to Committee once completed.

There were 96 actions recommended by management team following the Internal Audit's work and 88.5% of these had been implemented. Members were assured that the eleven outstanding actions were currently in progress and a revised implementation date had been agreed. Progress reports would then be presented to committee in September 2019 and January 2020.

Included as appendices to the report were the Summary of Audit Work, a PSIAS action table and a PSIAS action plan for 2019.

Members sought clarification in relation to the term 'independent', and the newly implemented GRACE risk management system which had been referred to in the report. These were addressed in full by Ms Highton.

During the discussion of this item, it was suggested that similar to previous years, a report on the National Fraud Initiative should be presented to the November Audit and Standards Committee to provide an update of this work.

Following on from the above, the committee RESOLVED to

1. Note the content of the report.
2. Seek an update on the results of the ICT review to be presented at the July 2019 Audit and Standards Committee meeting.
3. Seek an update on the outstanding actions emanating from the 2016/17 and 2018/19 Internal Audit Plans to be presented at the September 2019 Audit and Standards Committee meeting.

5. Review of the Effectiveness of Internal Audit

The Committee considered the findings of the annual self-assessment exercise undertaken by the Head of Internal Audit, in relation to the conformance of internal audit with the Public Sector Internal Audit Standards (PSIAS). Ms Highton presented his report and advised members that the self-assessment compared existing arrangements with those specified in the PSIAS.

Ms Highton drew members' attention to Appendix A of the report, which highlighted some areas for improvement. It was concluded from the self-assessment that the internal audit service remains compliant with the PSIAS.

The assessment had also been presented to the Corporate Governance Group and was challenged.

Following questions, the Committee went on to thank Ms Highton and her team for providing a detailed review on the effectiveness of internal audit.

It was RESOLVED to note the results of the self-assessment as part of the Audit and Standards Committee's consideration of internal control.

6. Appointment to Working Group

Tracy Manning, Director of Resources, invited the committee to reappoint the Constitution Working Group and reminded members of its previous membership.

During the discussion of this item, questions were raised in relation to the terms of reference and also the timeline of the Constitution Review Working Group. These were addressed by Mrs Manning.

Minutes – Audit and Standards Committee – 13 June 2019

Various proposals were made regarding the membership of the Constitution Working Group following which there was consensus on its composition.

After the debate it was RESOLVED:

1. That the membership of the Constitution Working Group comprise:
Leader of the Conservative Group or their Deputy
Leader of the Independent Group or their Deputy
Chairman of the Audit and Standards Committee
Mayor of Fylde
2. That final deliberations of the Constitution Review Working Group be time bound with a report being sought back to the Audit and Standards Committee by no later than September 2019

Audit Information Items

The following information items were received by the committee.

7. Deloitte LLP Audit Fee Letter 2019/20

The committee noted the contents of the Annual Audit Letter for the financial year 2019/20.

The letter provided an outline of Deloitte's fee levels in respect of their audit work for Fylde Borough Council for the 2018/19 financial year. In addition, the letter includes a comparison with the 2017/18 fee levels.

9. Strategic Risk Register

The committee noted the updated Strategic Risk Register for 2018/19 included as appendix A to the report.

Clarification was sought in relation to the lack of infrastructure in local areas which had been highlighted on the report as a low risk. Ms Manning advised that this was because control measures were already noted as being in place through the Local Plan and associated S106 Planning Conditions.

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