



MINUTES

Audit and Governance Committee

Date:	Tuesday, 21 May 2024
Venue:	Town Hall, St Annes.
Committee Members Present:	Councillor Michael Withers (Chairman) Councillor Andrew Redfearn (Vice-Chairman) Councillors Ellie Gaunt, John Kirkham, Ed Nash and Sandra Pitman.
Other Councillors Present:	None
Officers Present:	Tracy Manning, Paul O'Donoghue, Ian Curtis, Fiona Hill and Louise Cobain (Mersey Internal Audit Agency ('MIAA')) and Sharon Wadsworth. Emma Morgan (KPMG) attended remotely.
Other Attendees:	None

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 Governance Committee meeting held on 11 April 2024 as a correct record for signature by the Chairman.

3. Substitute Members

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

Councillor Sandra Pitman substituted for Councillor Peter Anthony.

4. Audit Annual Report and Head of Internal Audit Opinion 2023/24

Louise Cobain, Engagement Lead, MIAA, presented the Internal Audit Service Annual Report for 2023/24 which included the annual Head of Internal Audit Opinion.

She advised the Public Sector Internal Audit Standards (PSIAS) required the Head of Internal Audit to issue an annual opinion on the council's control environment. The was based on the work undertaken by Internal Audit over the course of the year. A summary of the work, together with proposed actions and progress on actions was laid out in the report.

The overall opinion for the period 1st April 2023 to 31st March 2024 was one of moderate assurance, which meant that there was an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls put the achievement of some of the organisation's objectives at risk.

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Ms Cobain highlighted that whilst the overall opinion for 2023/24 remained at moderate, MIAA acknowledged that the council had shown continued improvement to strengthen its internal control framework. The internal audit resource had been directed into known risk areas and this had supported the overall opinion.

A brief summary of the reviews completed during the year was provided, and it was noted that although no reviews received a high assurance there were also no critical recommendations raised.

Councillor Gaunt spoke to thank the auditors at MIAA together with the council's management and staff for their continued improvement.

It was RESOLVED to approve the Head of Internal Audit Opinion and Annual Report for 2023/24.

5. Annual Governance Statement

Tracy Manning, Deputy Chief Executive, presented the Annual Governance Statement. She explained it was a statutory document and was presented each year to committee. She informed the committee how, following guidance, the statement was compiled, looking at the governance systems in place at the council. The Corporate Governance Group, having considered all the evidence, as laid out in the Statement, had concluded that the council had a sound system of governance and risk management.

Attention was drawn to the action plan that outlined the governance issues and areas requiring attention other the forthcoming year.

It was RESOLVED to approve the Annual Governance Statement for signature by the Chief Executive and Leader of the Council.

6. Anti-Fraud and Whistleblowing Policies – Periodic Review

Tracy Manning introduced the updated versions of the both the Counter-Fraud and Whistleblowing policies and explained that, as part of the Corporate Governance Group work, the policies had been identified for review.

Both the Internal Audit and Fraud Teams had been consulted on the policy updates and that both policies would be re-launched to raise awareness of their content once re-adopted.

It was RESOLVED to approve both the Counter-Fraud and Whistleblowing Policy revisions.

7. Overview and Scrutiny: Statutory Guidance

Ian Curtis, Head of Governance, introduced the report that informed members about the recently updated statutory guidance on overview and scrutiny committees from the Department for Levelling Up, Housing and Communities, and to highlight key points and implications for the Council's scrutiny arrangements.

Suggested areas for consideration by the committee included that :-

- The council reviews its scrutiny arrangements in the light of the revised statutory guidance and its experience of operating its current arrangements since the readoption of overview and scrutiny in 2023;
- The review was to have regard in particular to the matters mentioned in paragraphs 7 and 8 of the report ie fostering a strong culture that values scrutiny as a critical function and reviewing its processes for selecting committee members;
- The council develop an executive-scrutiny protocol to manage disagreements and define the relationship between parties, as set out in paragraph 9 of the report; and
- A working group be engaged to assist in the development of the executive-scrutiny protocol with a view to making recommendations to the council in October 2024.

During the course of the discussion it was confirmed that extra training on scrutiny would be provided and that the upcoming corporate peer review would be looking at the governance arrangements, including scrutiny, one year on.

Members also expressed a desire for any protocol to come back to the committee for review prior to going to Council for approval.

It was RESOLVED to recommend to Council :-

1. To review the scrutiny arrangements in the light of the revised statutory guidance and its experience of operating its current arrangements since the readoption of overview and scrutiny in 2023;
2. That the review was to have regard in particular to the matters mentioned in paragraphs 7 and 8 of the report;
3. To develop an executive-scrutiny protocol as set out in paragraph 9 of the report; and
4. To set up a working group, consisting of the Chairman and Vice-Chairman of each scrutiny committee together with the Leader and Deputy Leader, to assist in the development of the executive-scrutiny protocol with a view to making recommendations for the Audit and Governance Committee to consider before adoption by council.

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