

# MINUTES

## Audit and Governance Committee

<b>Date:</b>	Thursday, 30 November 2023
<b>Venue:</b>	Town Hall, St Annes.
<b>Committee Members Present:</b>	Councillor Michael Withers (Chairman) Councillor Andrew Redfearn (Vice-Chairman)  Councillors Peter Anthony, Ellie Gaunt, Joanne Gardner, John Kirkham, Ed Nash.
<b>Other Councillors Present:</b>	None
<b>Officers Present:</b>	Paul O'Donoghue, Louise Cobain (Mersey Internal Audit Agency), Sharon Wadsworth. Paul Hewitson (Deloitte) and Debra Chamberlain (KPMG) attended remotely.
<b>Other Attendees:</b>	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 28 September 2023 as a correct record for signature by the Chairman.

### 3. Substitute Members

There were no substitutions on this occasion.

#### Update on the external audits

Prior to the start of the decision items Paul Hewitson, from Deloitte, was invited by the chairman to update members on the status of the external audits for 2021/22 and 2022/23 which remained incomplete as a result of resource challenges at Deloitte. In doing so he advised that continued progress was being made and focus was now on completing the VFM (value for money) elements for both outstanding years. It was anticipated that the 2021/22 financial accounts audit would be completed by the end of the current financial year.

Debra Chamberlain, from KPMG, was invited to introduced herself as the new auditor for the 2023/24 accounts. In doing so Ms Chamberlain informed the committee that preparatory work had begun on planning both the financial statements and VFM work for 2023/24 and that the finance team at Fylde were responding to the requests for information.

Decision Items

4. Mid-Year Prudential Indicators & Treasury Management Monitoring Report

Paul O’Donoghue, Chief Financial Officer, presented the Mid-Year Prudential Indicators and Treasury Management monitoring report. He advised it had been prepared in line with the recommendations of CIPFA’s (Chartered Institute of Public Finance and Accountancy) Code of Practice on Treasury Management 2021.

He further advised that the Council’s cash flow remained high with £25.4 million in cash and investments at the half-year point, with favourable investment returns compared to other authorities. This balance of funds would reduce during the remainder of the financial year.

Mr. O’Donoghue drew the committee’s attention to paragraph 2 of the report which set out details of the council’s Capital Financing Requirement (CFR) which for 2023/24 was £4.1m and represents the amount of capital spending that has not been financed by capital receipts, capital grants or contributions from revenue income or reserves. He further explained that the CFR effectively measures the council’s “underlying need to borrow” for capital purposes, and that the CFR is currently being financed by “internal borrowing”, a common practice whereby a local authority utilises its internal resources which are not required in the short to medium-term (comprising working capital and reserves), rather than external borrowing, to finance expenditure. He highlighted that all Prudential indicators and limits had been complied with, the council was debt free, and that each year a borrowing limit was established to provide for contingency in unforeseen circumstances.

Members scrutinised the Mid-Year Prudential Indicators and Treasury Management monitoring report, with the Chief Financial Officer providing explanation and clarification when required. Following detailed discussion it was RESOLVED to:

1. Recommend to Council that the Prudential Indicators and the Investment Limits, as shown at Appendix B of the report, be approved.

5. Internal Audit Progress Report

Louise Cobain, Engagement Lead MIAA, reported that good progress was being made against the planned delivery of the Internal Audit Plan with an update position to be presented to the February 2024 committee meeting. There had been a change to the audit plan in that the Heritage review would be moved to 2024/25 as the assets had not yet been moved to Lytham Hall. The review into Fleet Stock would be expanded to include arrangements around repair and maintenance of the fleet in lieu of this in 2023/24.

Ms Cobain went through the two reports that had been issued since the last progress report. The Freedom of Information and Subject Access Requests review was given limited assurance with a number of recommendations to strengthen controls in place. The Temporary Accommodation review was given a moderate assurance, together with a number of control improvement recommendations.

Following a brief discussion it was RESOLVED to note the contents of the Internal Audit Progress Report.

6. Regulation of Investigatory Powers Act 2000: Authorisations

The Committee received information regarding the review of the use of covert surveillance and covert human intelligence sources by the Council. It was reported that in the quarter to November 2023, there had been no authorised operations.

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