



# Minutes

## Audit Committee

<b>Date:</b>	Thursday, 20 March 2014
<b>Venue:</b>	Town Hall, St Annes
<b>Committee members:</b>	Councillor John Singleton JP (Chairman)  Councillors Brenda Ackers, Ben Aitken, Christine Akeroyd, Leonard Davies, Linda Nulty, Louis Rigby
<b>Officers:</b>	Dean Francis, Katharine McDonnell, Tracy Morrison and Paul O'Donoghue

### 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. There were none on this occasion.

### 2. Confirmation of minutes

RESOLVED: To approve the minutes of the Audit Committee meeting held on 30 January 2014 as a correct record for signature by the Chairman.

### 3. Substitute members

There were no substitutions.

### 4. Internal Audit Annual Plan 2014/2015

Dean Francis, Senior Auditor presented the Internal Audit Annual Plan for 2014/2015. He explained that the plan was designed to meet the standards for internal audit as laid out in the Public Sector Internal Audit Standards (PSIAS). He further explained that the plan was designed to support an annual opinion on the effectiveness of systems of governance, risk management and internal controls across the Council. The work detailed in the plan would form part of the evidence base which enables the Chief Executive and the Leader of the Council to sign off the Annual Governance Statement. The external auditors placed reliance on the plan (and therefore the work coverage of internal audit) to ensure that system controls and checks were effective, this in turn reduced the amount of testing required by the external auditor.

Mr Francis drew the Committee's attention to section 6 of the report which detailed how the formulation of the Audit Plan was undertaken and what was considered. He also explained how audit reviews were prioritised on the basis of risk assessment.

Mr Francis explained that the plan was a working document and was subject to change over the coming year as different needs and priorities emerged. He advised that the plan was linked to the corporate plan. He explained that the plan itemised areas of work to be undertaken, a short description of the work to be undertaken and the number of days the work was expected to take.

The Committee asked questions regarding IT, specifically whether the support available and provided to Councillors was subject to audit and if the IT Security Policy had been updated, having been identified by the external auditors as an area of concern. Mr Francis advised that Councillors were not currently sampled for audit purposes and the IT Security Policy had been updated.

It was RESOLVED that the Internal Audit Annual Plan for 2014/2015, be approved.

#### 5. Counter Fraud Policies – Annual Review

Dean Francis, Senior Auditor presented the annual review of Counter Fraud Policies. He advised that all counter fraud policies, including:

- ♦ Anti-fraud and Corruption Policy
- ♦ Anti-fraud and Corruption Strategy
- ♦ Whistleblowing Policy
- ♦ Anti-Bribery Policy
- ♦ Anti-Money Laundering Policy
- ♦ Forensic Readiness Policy

had been reviewed to ensure that there was an effective and up-to-date framework for countering fraud and corruption was maintained.

Mr Francis further advised that the only substantial changes to the policies was in regard to benefits. Council Tax Benefit was abolished in April 2013 and replaced by the Council Tax Reduction Scheme and as such, a new Council Tax Reduction Scheme Sanctions Policy was proposed. Mr Francis explained that this new sanction policy was not dissimilar to that in place for dealing with Council Tax Benefit fraud and continued the Council's robust approach to dealing with fraud.

Mr Francis provided a brief overview of the Sanctions Policy including the triggers, the sanctions available and reporting arrangements.

Mr Francis advised that in the year to March 2014 there had been 9 completed prosecutions, 1 prosecution due to be summoned before the end of the financial year, 23 cautions and 4 administrative penalties.

The Committee asked if the £2000 threshold for prosecutions was a national threshold or below that figure prosecutions were not cost effective. Mr Francis undertook to provide the information to Committee at the next meeting, however he and Mr O'Donoghue, Section 151 Officer, stressed that all instances of overpayment or fraud were investigated, chased and recovered even if under £2000.

It was RESOLVED to approve the Counter Fraud Policy documents.

#### 6. Regulation of Investigatory Powers Act 2000: Authorisations

A quarterly report on the Regulation of Investigatory Powers Act 2000: Authorisations, was presented to Committee. It was noted that for the quarter to January-March 2014, there were no authorised operations.

It was RESOLVED that the Committee note the information in the report.

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