



MINUTES

Audit and Standards Committee

Date:	Thursday, 15 June 2017
Venue:	Town Hall, St Annes.
Committee Members Present:	Councillor John Singleton JP (Chairman) Councillor David Donaldson (Vice-Chairman) Councillors Delma Collins, Peter Collins, Roger Lloyd, Edward Nash, Graeme Neale, Liz Oades, Roger Small.
Other Councillors Present:	Councillor Susan Fazackerley
Officers Present:	Paul O'Donoghue, Ian Curtis, Savile, Sykes, Dean Francis, Gary Marcus, Alex Scrivens, Sharon Wadsworth
Other Attendees:	Christopher Paisley, Manager KPMG. Two members of 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 meeting held on 16 March 2017 as a correct record for signature by the Chairman.

3. Substitute Members

The following substitutions were reported under Council procedure rule 24 (c):

Councillor Liz Oades substitute for Councillor Paul Hayhurst

Standards Information Item

4. Issues Raised with the Monitoring Officer

The Committee received the Monitoring Officer's periodic report regarding standards issues raised since the previous report in March 2017.

Audit Decision Items

5. KPMG Audit Fee Letter 2017/18

Christopher Paisley, KPMG, presented the Audit Fee Letter from KPMG for the forthcoming financial year. Mr Paisley confirmed that the fees were in line with those set by the Public Sector Audit Appointments (PSAA) body.

Members were advised that the council was likely to receive a redistribution of surplus funds from the PSAA during 2017/18, as detailed in the Audit Fee Letter.

It was RESOLVED to note the KPMG Audit Fee Letter for 2017/18.

6. Internal Audit Annual Report 2016-17

Savile Sykes, Head of Internal Audit, presented the Internal Audit Annual Report for 2016/17, as required by the Public Sector Internal Audit Standards.

Mr Sykes provided a comprehensive overview of the report, in particular drawing the committee's attention to the independence of Internal Audit and the internal audit opinion. Mr Sykes highlighted that six out of the nine high priority internal control weaknesses had been addressed in full and one was partially implemented. Reasons for the delay on the completion of the remaining two high priority actions were explained to members and both now had revised target dates for completion.

The overall implementation rate had declined to 76.3% for agreed internal audit recommendations for reasons as outlined within the report.

Following questions and concerns from the committee, that were responded in full by Mr Sykes, it was RESOLVED:

1. To approve the annual report of the Head of Internal Audit;
2. For the Head of Internal Audit to arrange a meeting, to include the Chair and Vice Chair of the Audit and Standards committee and the managers responsible for agreed recommendations that had yet to be implemented;
3. To confirm the report provided suitable assurance concerning the effectiveness of risk management, control and governance processes in terms of the exercise of the Council's functions and the achievement of the aims and objectives.

7. Annual Governance Statement

Ian Curtis, Head of Governance and Legal, presented the Annual Governance Statement. Mr Curtis explained that the preparation and publication of an annual governance statement was necessary to comply with Regulation 4(3) of the Accounts and Audit Regulations 2015, forming part of the Annual Statement of Accounts.

The Corporate Governance Group would meet to review the effectiveness of the Council's governance framework and an action plan would be drawn up to address the issues identified. The action plan would be presented at a future meeting of the committee for approval.

The committee RESOLVED to:

1. Approve the Annual Governance Statement for signature by the Chief Executive and the Leader of the Council.
2. Receive an action plan for the identified issues at the September 2017 meeting for approval.

8. Constitution Amendments

Ian Curtis, Head of Governance, presented a report detailing two proposed amendments to Part 4 of the Council's Constitution, Procedural Standing Orders for Council and Committees.

Following a tense debate around the proposal to deal with challenges to Council minutes the Chairman moved for a recorded vote.

Following the vote it was RESOLVED to recommend to Council:

1. To amend Paragraph 13.7 to include an additional new paragraph which would read “All amendments should be submitted in writing and given to officers prior to the [Council] meeting. If this is not possible, a written copy will be accepted during the meeting so that officers can read it aloud, thus providing clarity to all members.”
2. To amend the second sentence of paragraph 13.2, for clarity, to read “Unless it is a notice of motion under rule 12.1, the Mayor *will* require the proposal to be written down and handed to him before it is discussed, *consistent with paragraph 13.7(b) below.*”
3. To amend Paragraph 16 with the additional wording, “Any challenge to the previous Council Minutes must be submitted to the Monitoring Officer within five working days of the formal publication of the Minutes. Verbal challenges during the meeting will not be accepted”. This wording would follow the current sentence “The only matter which may be discussed is the accuracy of the minutes.”

Votes for the recommendations (5): *David Donaldson, Delma Collins, Ed Nash, Graeme Neale, Roger Small.*

Votes against the recommendations (3): *Peter Collins, Roger Lloyd, Liz Oades.*

Abstention (1): *John Singleton.*

9. Public Speaking: Planning Committee

The Chairman proposed that the Public Speaking: Planning Committee report be deferred to a future meeting following wider consultation.

It was RESOLVED by the committee to defer the item to a future meeting.

10. Public Speaking Review

Ian Curtis, Head of Governance, introduced a report regarding a review of public speaking arrangements at committees. A governance review was undertaken in early 2016 by way of an online consultation with members and officers, together with a review conducted by the Institute of Local Government at the University of Birmingham ('INLOGOV'). The Fylde Civic Awareness Group had also submitted views for consideration.

During the course of the discussion it was moved that the item be deferred until a decision had been made on the public speaking at Planning Committee matter.

Following a vote by a show of hands it was RESOLVED to defer the item to a future meeting.

11. Fylde Council – Risk Strategy 2017

Gary Marcus, Corporate Performance Officer, presented a revised Risk Management Strategy to replace the strategy that was approved in 2015.

The committee RESOLVED to approve the revised Risk Management Strategy 2017 document.

Audit Information Items

The following information items were received by the committee.

12. Completion of the ICT Cyber Attack Action Plan 2016/17

The report confirmed that the actions arising from the ICT Cyber Action Plan 2016/17 had been completed.

13. Strategic Risk Register 2017/2018

The committee noted the Strategic Risk Register for the current financial year. It was confirmed that the Sea Defence Project was to be managed by the Operational Management Committee and the M55 Link Road was to be managed by the Finance and Democracy Committee.

14. Corporate Governance Update

The report confirmed that there were now no outstanding issues arising from the 2015/16 Annual Governance Statement.

15. Regulation of Investigatory Powers Act 2000: Authorisations

The Committee noted that since February 2017 there had been no authorised operations.

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