



MINUTES

Audit and Standards Committee

Date:	Thursday, 26 July 2018.
Venue:	Town Hall, St Annes.
Committee Members Present:	Councillor John Singleton JP (Chairman) Councillor David Donaldson (Vice-Chairman) Councillors Delma Collins, Edward Nash, Graeme Neale, Louis Rigby, Roger Small.
Officers Present:	Paul O'Donoghue and Tara Walsh.
Other Attendees:	Amanda Latham (KPMG representative) and 1 member 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 held on 24 May 2018 as a correct record for signature by the Chairman.

3. Substitute Members

There were no substitutions.

Audit Decision Items

4. Report to those Charged with Governance (ISA 260) 2017/18

The Chairman invited Amanda Latham, representative of KPMG, to present the report. In doing so, she explained that the report had been prepared by KPMG as the Council's external auditors. She went on to explain that the report summarised the key messages identified during the audit of the Council's financial statements, for the year ending 31st March 2018. It also provided KPMG's assessment of the Council's arrangements to secure value for money in its use of resources.

Ms Latham advised members that at the time of preparing the report, there were some outstanding areas of work. Subject to all outstanding queries being resolved, it was noted that KPMG anticipate issuing an unqualified audit opinion on the Authority's financial statements by 31st July 2018.

Ms Latham expressed her thanks to the finance team for the quality of the accounts and working papers that they had prepared. She advised that they were an excellent reflection on the team in that no audit adjustments were required.

Members went on to ask for clarification on the position in regards to the outstanding areas of work, as outlined in the report. By way of response, Ms Latham advised that all areas had since been completed.

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On the conclusion of this item, attendees were reminded that in December 2017 the PSAA confirmed that Deloitte LLP would take over as Fylde's new external auditors and as such KPMG would no longer take on this role. With this in mind, Ms Latham expressed her thanks to the Committee and to the finance team for their continued support and expressed good wishes for the future.

It was RESOLVED TO:

1. Note the External Auditor's Report to those charged with Governance for 2017/18, referred to as the ISA 260, and to thank KPMG for their work;
2. Note the work undertaken by the Council over the course of the last year resulting in a positive report from KPMG;
3. Thank and express appreciation to the Directors, Managers and other key officers at KPMG who worked on the External Auditor reports for Fylde Council in at least the past 12 years; and
4. Thank the finance team for their support in producing high quality documentation for the external auditors in a timely manner

(At the conclusion of the above item, Councillor Roger Small left the meeting).

5. Annual Statement of Accounts 2017/18

Paul O'Donoghue, Chief Financial Officer, presented the Annual Statement of Accounts for 2017/2018. He explained that the Section 151 Officer was responsible for the preparation of the Authority's Statement of Accounts which, in terms of the CIPFA (Chartered Institute of Public Finance & Accountancy) / LASAAC (Local Authority (Scotland) Accounts Advisory Committee) Code of Practice on Local Authority Accounting in United Kingdom (the Code), was required to present a true and fair view of the financial position of the Authority at the accounting date and its income and expenditure for the year ended 31 March 2018.

He further advised that the format and layout of the statutory Annual Accounts and supporting financial statements was heavily prescribed and the statements were prepared in accordance with applicable laws and regulations and in line with the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (The Code).

It was noted that a workshop was held on Tuesday, 10 July which provided members of the Committee the opportunity to ask questions and clarify information contained within the Statement of Accounts 2017/18 prior to the formal committee meeting.

The Chairman took the opportunity to express his thanks and appreciation to members and key officers for attending the Statement of Account workshop, for providing a strong financial reporting process and for maintaining audit trails to a high standard, all within timescale.

It was RESOLVED to:

1. Approve Statement of Statement of Accounts 2017/18
2. Thank the key officers for providing a Statement of Accounts Workshop for members of the committee to attend

6. Management Representation Letter 2017/18

Paul O'Donoghue, Chief Financial Officer, presented the Management Representation Letter. He explained that on the conclusion of the audit of accounts the Council was required to provide the external auditor with a statement confirming that the Council had acted properly and with due regard to appropriate regulations and guidance in the preparation of financial statements, and that all material items had been disclosed to the auditors with all reasonable measures taken to minimise fraud and error.

Once agreed by committee the signed Management Representation Letter which had been included as an appendix to the report, would be provided to KPMG as external auditors.

It was RESOLVED to agree that the Management Representation Letter be signed by the Chief Financial Officer and by the Chairman of the Audit and Standards Committee and be provided to KPMG.

7. Deloitte LLP Audit Fee Letter 2018/19

The Chairman informed members that apologies had been received from Paul Hewitson, representative from Deloitte LLP. In his absence, Paul O'Donoghue, Chief Financial Officer, was invited to present the Audit Fee Letter from Deloitte LLP for the forthcoming financial year.

Mr O'Donoghue advised members that the letter had been included as an appendix to the report for information purposes. He went on to explain that the letter provides 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.

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

Audit Information Items

8. Strategic Risks 2018/19

The committee noted the updated Strategic Risk Register for 2018/19.

9. Update on the Strategic Risk Register and Relevant Action Plans

The committee received an update on the position in regards to the 2017/18 Strategic Risk Register and the relevant action plans identified, and noted the report.

10. Regulation of Investigatory Powers Act 2000 : Authorisations

The Committee was presented with the quarterly report on the Regulation of Investigatory Powers Act 2000: Authorisations. It was noted that for the quarter to June 2018 there were no authorised operations.

The Committee noted the information in the report.

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