



Minutes

AUDIT AND STANDARDS COMMITTEE

Date:	Thursday, 19 January 2017
Venue:	Reception Room, Town Hall, St Annes.
Committee Members:	Councillor John Singleton (Chairman) Councillor David Donaldson (Vice Chairman) Councillors Delma Collins, Peter Collins, Paul Hayhurst, Roger Lloyd, Edward Nash, Barbara Nash and Roger Small.
Officers Present:	Tracy Morrison, Paul Swindells, Savile Sykes, Dean Francis and Tara Walsh
Other Attendees	Christopher Paisley (KPMG)

1. Declarationsofinterest

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 no declarations of interest.

2. Confirmationofminutes

RESOLVED: To approve the minutes of the Audit and Standards Committee meeting held on 17 November 2016 as a correct record for signature by the Chairman.

3. Substitutemembers

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

Councillor Barbara Nash for Councillor Graeme Neale

StandardsDecisionItem

4. GovernanceReview

Following the work of the cross party Working Group to introduce revised governance arrangements in 2015, a review had been conducted, as previously agreed following the introduction of the new system and its operation over several months.

The review comprised a number of components including internal and external review activity. Amongst other things, a survey had been conducted across elected members, and there had been external examination by the Institute of Local Government Studies at the University of Birmingham.

Ms Morrison advised that agreed action by the committee was to consider the council's own internal review recommendations in parallel with the report from the University of Birmingham.

Ms Morrison reminded members that it was the remit of the committee to review constitutional arrangements, and to make any recommendations to Full Council which was responsible for authorising any changes to the constitution.

Members debated all matters and dismissed a suggestion to wider the remit and membership of the Finance and Democracy Committee. In doing so, planning policy formulation was also considered and members felt that this role should continue to be fulfilled by the Planning Committee.

The Chairman invited the committee to provide their comments. And after discussion it was RESOLVED:

That the following changes recommended as a result of the governance review be presented to the council for its consideration:

1. To add the following wording to the constitution under the remit of the Operational Management Committee; "Considering reports, reviewing and formulating where necessary policies relating to building control and land charges"
2. Remove the requirement for a drawdown report to be taken to committee prior to spending, within the limits detailed in the report
3. To change the name of the Development Management Committee to Planning Committee
4. To give the Chief Executive, or the Directors in his absence, the power to make emergency decisions in consultation with the relevant committee Chairman or Vice-Chairman in his/her absence together with the Leader of the Council and that the emergency powers procedure be reviewed by Audit and Standards committee in 12 months' time;
5. To review the public speaking arrangements within the Constitution and to present a further report before the Audit and Standards Committee in due course

5. Effectiveness of the Audit and Standards Committee - Terms of Reference

Dean Francis (Senior Auditor) presented a report detailing the proposed amendments to the committee's terms of reference to more closely reflect best practice guidance advocated by the Chartered Institute of Public Finance and Accountancy (CIPFA) in their published advice.

Mr Francis advised members that a report had been considered by committee in September 2016 regarding its effectiveness compared to best practice guidance set out by CIPFA in its publication 'Audit Committees: Practical Guidance for Local Authorities and Police'. The Chairman and Vice Chairman, alongside the Head of Internal Audit, conducted a self-assessment exercise regarding the effectiveness of the Audit and Standards Committee. Two issues had been highlighted in relation to the committee's terms of reference.

Mr Francis advised that the action agreed by the committee was to compare the existing terms of reference to the core areas as identified in CIPFA's guidance. He further advised the committee of the additions to proposed terms reference, as set out in the report.

Mr Francis informed members that there was an error contained within paragraph 7 of the report, as a result of the incorrect numbering in some of the section headings of the proposed terms of reference. The correct references were explained.

It was RESOLVED to:

- 1) Approve the proposed terms of reference of the Audit and Standards Committee as set out in the report.

- 2) Request that the Council adopt the revised terms of reference as soon as practicable.

6. KPMGCertificationofClaimsandReturns–AnnualReport2015/16

Christopher Paisley (KPMG) presented the certification of claims and returns annual report for 2015/16. He explained that the letter presented to the committee, confirmed the certification of one claim, the Housing Benefit Subsidy claim, for £19.86m.

He advised that one issue had been identified where the authority had calculated claimant earning incorrectly resulting in an overpayment of benefit to the claimant. Additional testing identified one further instance of the error, which did not result in overpayment of benefit. The claim had been certified on 29 November 2016, subject to a qualification letter.

It was therefore RESOLVED to note and accept the contents of the Certification of Claims and Returns annual report for 2015/16.

7. AppointmentofExternalAuditorsfrom2018/19FinancialYear-Update

Paul Swindells, Deputy Chief Financial Officer, advised the committee that following the recent change in legislation and the closure of the Audit Commission, the responsibility for the appointment of external auditors would now fall to individual councils commencing with the audit of the 2018/19 accounts. The legislation dictated that the external auditor must be appointed by 31 December 2017. Consequently a procurement process will be necessary to provide for the selection of an external auditor from that date.

Mr Swindells, advised agreed action by the committee was that the Council should develop an appropriate procurement strategy and select a preferred approach during 2016. He went on to inform members that in July 2016 the Secretary of State for Communities and Local Government specified Public Sector Auditor Appointments Limited (PSAA) as an appointing person under regulation 3 of the Local Audit (Appointing Person) Regulations 2015. PSAA would be able to appoint an auditor to relevant principal authorities that choose to opt in to its national collective scheme.

It was RESOLVED to:

1. Note the update on the issues arising from the introduction of new powers for local authorities to appoint their external auditor from the audit of the 2018/19 financial year accounts onwards; and
2. Recommend to Council that Fylde Council agrees to opt into the national scheme for auditor appointments that is managed by Public Sector Auditor Appointments Limited (PSAA).

AuditInformationItems

8. InternalAuditInterimReport2016/17

The committee received information regarding the progress of planned audits against the Internal Audit Plan for 2016/17. The committee noted the report.

9. StrategicRiskRegisterUpdate

The committee noted the Strategic Risk Register Update in regards to the Cyber Attack Prevention Action Plan.

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 January 2017, there were no authorised operations.

The Committee noted the information in the report.

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