



# MINUTES

## Audit and Standards Committee

<b>Date:</b>	Thursday, 15 July 2021
<b>Venue:</b>	Town Hall, St Annes.
<b>Committee Members Present:</b>	Councillor John Singleton JP (Chairman) Councillor Ellie Gaunt (Vice-Chairman) Councillors Delma Collins, Peter Collins, Brian Gill, Will Harris, Ed Nash.
<b>Other Councillors Present:</b>	Councillor Karen Buckley - Leader of the Council
<b>Officers Present:</b>	Tracy Manning, Paul O'Donoghue, Ian Curtis, Sandra Cudlip (MIAA), Fiona Hill (MIAA) and Hannah Kirk
<b>Other Attendees:</b>	Nick Rayner, from Deloitte, attended the meeting remotely

### 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 20 May 2021 as a correct record for signature by the Chairman.

### 3. Substitute Members

There were no substitute members on this occasion.

### Audit Decision Items

### 4. Deloitte LLP Certification of Claims and Returns – Annual Report 2019/20

Nick Rayner, Deloitte, presented the certification of claims and returns for 2019/20. This was an annual report to the committee. It was explained that no issues had been identified, therefore no action was required.

It was RESOLVED to note the contents of the Certification of Claims and Returns – annual report for 2019/20 by Deloitte LLP.

### 5. Deloitte LLP Audit Fee Letters 2020/21 and 2021/22

Nick Rayner, Deloitte, presented the audit fee letters for 2020/21 and 2021/22. It was explained that the main change in this period was the requirement for additional work in relation to Value for Money, which changed following the year ending 31<sup>st</sup> March 2021. This saw the need for more detailed Auditor's Annual Report to act as a summary, following the completion of work in relation to this each year.

It was RESOLVED to note the Deloitte LLP Audit Fee Letters for 2020/21 and 2021/22.

6. Internal Audit Charter

Sandra Cudlip, MIAA, presented the internal audit charter. She advised that the charter was a requirement of the Public Sector Internal Audit Standards. It was presented to the committee for consideration. Mrs Cudlip further advised that the charter was a formal document, which set out the standards Mersey Internal Audit Agency (MIAA) were required to comply with and demonstrated how this was going to be achieved.

It was RESOLVED to approve the Internal Audit Charter.

7. Internal Audit Effectiveness

Sandra Cudlip, MIAA, presented the results of the External Quality Assessment of Conformance to the Public Sector Internal Audit Standards relating to MIAA, who provided the Council's internal audit function. She advised that this was a five-yearly external review which acted as an assurance to the Committee of the effectiveness of MIAA.

MIAA were assessed to be fully compliant with all standards.

It was RESOLVED to note the results of the assessment as part of the Audit and Standards Committee's consideration of the system of internal control.

8. Revised Internal Audit Plan 2021/22

Fiona Hill, MIAA, presented the revised Internal Audit Plan for 2021/22. She advised the plan had been compiled in consultation with Directors and Heads of Service following a detailed risk assessment. She further advised that such an approach ensured compliance with the Public Sector Internal Audit Standards (PSIAS) to produce a Head of Internal Audit Opinion.

Ms Hill provided a brief overview of the proposed changes to the audit plan, such as the addition of key financial controls and cyber security reviews.

It was RESOLVED to approve the revised Internal Audit Plan for 2021/22.

9. Internal Audit Annual Report and Head of Interim Audit Opinion 2020/21

Sandra Cudlip, MIAA, presented the Internal Audit Annual Report and Head of Internal Audit Opinion 2020/21. She advised that the purpose of the report was to summarise the work undertaken by the Internal Audit Service in 2020/21 and to give an Head of Internal Audit Opinion as required by the Public Sector Internal Audit Standards on the adequacy and effectiveness of the Council's framework of governance, risk management and control. The HOIAO for 2021/22 had been provided by MIAA on behalf of the Council.

She explained that due to 2021/22 being a unique year, internal audit had also been impacted due the requirement of teams to work differently to provide support to assist with the pandemic. On-going plans had been re-visited by the former Head of Internal Shared Audit but intended audit work had halted due to the changeover of the Internal Audit team.

Overall, a moderate opinion had been achieved, with limitations to the scope due to insufficient assurance across a significant subset of risk or area of operation that are material and an action plan had been drawn up to address this going forward. Mrs Cudlip advised that the council was working to avoid any future limitations of scope, and specific follow up reports would be done with regards to previous issues that had been identified. She further advised that MIAA were confident that they would be able to give a full opinion for 2021/22, subject to completion of the agreed audit plan.

In response to questions, Mrs Cudlip confirmed that specialist auditors could be brought in for specific areas if it was required and that they would work on a basis of regular feedback throughout the auditing process, rather than utilise an official appeals process.

The Chairman asked whether the overall opinion could be moved from moderate to substantial. Mrs Cudlip advised that as this was yet to be assessed, it was difficult to confirm a position.

It was RESOLVED to note the contents of the report and that the Audit and Standards Committee asked Fylde officers to work with MIAA to improve the assurance ratings.

10. Annual Governance Statement

Tracy Manning, Director of Resources, presented the Annual Governance Statement. She advised that the annual statement was prepared each year in accordance with the CIPFA/SOLACE framework. It provided a position statement in respect of the completed actions from the last governance statement.

She further advised that whilst the governance system remains generally effective, the previous year had been unusual. This was due to officers being seconded to work on areas to deliver an effective Covid-19 response across the borough, as well as various funding support initiatives having been introduced that required implementing. Further to this, there had been several major situations to respond to, such as the Local Government Boundary Commission, which often required the involvement of officers and members.

Mrs Manning made reference to the substantial workload created as a result of the virus and credited colleagues for their ability to deliver service as usual throughout, whilst responding to the pandemic. She further highlighted the quick response in regard implementing changes to the governance framework, dispensations, and the subsequent transition to virtual meetings. It was advised that the recovery plan was detailed in the agenda papers, and whilst it was not the usual resounding summary for the reasons outlined by MIAA, plan had been put in place to address this going forward.

Following discussion, it was RESOLVED;

1. To approve the Annual Governance Statement for signature by the Chief Executive and the Leader of the Council; and
2. The Committee thanked management and officers at all levels for providing first-class support to their business community and vulnerable residents while maintaining a good frontline service delivery. All staff at all levels are to be congratulated for this achievement.

At the conclusion of the meeting, Councillor Gaunt expressed her thanks and appreciation to Councillor Singleton for his time as chairman of the committee.

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