

## **AUDIT & GOVERNANCE COMMITTEE**

**HELD: Tuesday, 29 May 2018**

Start: 6.30 pm

Finish: 7.32 pm

### **PRESENT:**

Councillor: P Cotterill (Chairman)

Councillors:	R Pendleton	C Dereli
	J Gordon	N Hennessy
	J Mee	E Pope

Officers: Terry Broderick, Borough Solicitor  
Marc Taylor, Borough Treasurer  
Mike Coysh, Internal Audit Manager  
John Addison, Principal Overview and Scrutiny Officer

### **1 APOLOGIES**

There were no apologies for absence.

### **2 MEMBERSHIP OF THE COMMITTEE**

There were no changes to the membership of the Committee.

### **3 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **4 PUBLIC SPEAKING**

There were no items under this heading.

### **5 MINUTES**

RESOLVED: That the Minutes of the meeting held on the 27<sup>th</sup> March 2018 be approved as a correct record and signed by the Chairman.

### **6 GRANT THORNTON REPORTS**

Consideration was given to the report of the Borough Treasurer, which detailed the External Auditors, Grant Thornton's report that outlined their progress in delivering their responsibilities against their audit plan as well as a range of other matters. The report also contained, for Members comments, the Audit Fee letter that provided details on the audit fee and works that were planned to take place for 2018/19.

Members were informed that the Individual scale fees have been reduced by 23 percent from the fees applicable for 2017/18 and the Council's scale fee for 2018/19 has been set by Public Sector Audit Appointments Ltd (PSAA) at £33,684.

RESOLVED: That the Progress Report and the Planned Audit Fee letter be noted.

**7 INTERNAL AUDIT ANNUAL REPORT 2017-18**

The Audit Manager presented to Members the 2017-18 Internal Audit Annual Report for consideration. Members were reminded that the Audit Manager was required to present to the Committee an annual opinion report, which identified matters that the Audit Manager considered relevant to Member's consideration of the Annual Governance Statement and Statement of Accounts.

It was noted that the Internal Audit Annual Report concluded that West Lancashire Borough Council's risk management systems and framework of governance and control were adequate and effective.

RESOLVED: That the Internal Audit Annual Report for 2017-18 be noted.

**8 INTERNAL AUDIT ACTIVITY - QUARTERLY UPDATE**

The Audit Manager presented the Committee with a report that summarised progress against the 2018/19 Internal Audit Plan.

Members were reminded that for 2018-2019, the dates of this Committee had been changed to accommodate the new accounts closedown timetable and the reported figures cover the period to mid-May, whereas in previous years the update was on progress as at mid-June.

It was reported that so far this year there had been an increase in work streams with 31 included in the annual plan compared to 24 in 2017/18. Progress against the plan to date was satisfactory with 16% of audits in progress, similar to the position reported in 2017/18 when it was 17%.

RESOLVED: That progress in the year to date against the 2018/19 Internal Audit Plan be noted.

**9 ANNUAL GOVERNANCE STATEMENT**

The Borough Treasurer submitted to Members for approval the Annual Governance Statement 2017/2018. It was reported that the Accounts and Audit Regulations required the Council to publish an Annual Governance Statement with its financial reports.

The Annual Governance Statement provided a summary of the Council's internal control environment and a review of its effectiveness. The 2017/2018 Statement confirmed that the framework was adequate and that it was working effectively.

It was reported that all Heads of Service and Senior Managers at the Council had considered and signed a Certificate on Internal Control to confirm that governance arrangements and internal controls had not been compromised during the past year in their areas of responsibility. Members were reminded that Managers are charged with embedding governance systems in their areas of work, this was an integral part

of the annual review process.

RESOLVED: That the Annual Governance Statement 2017/2018, be approved and commended to the Leader and Chief Executive for signature.

**10 STATEMENT OF ACCOUNTS**

The Borough Treasurer submitted to Members a report outlining details on the preparation of the Statement of Accounts for the year ended 31st March 2018. It was noted that in previous years the draft statement had to be produced by the end of June and the audited statement approved before the end of September. However due to changes in government regulations the timescales for this work had now been brought forward, so that the draft statement had to be produced by the end of May and the audited statement approved before the end of July.

The Borough Treasurer stated that currently, the draft statement of accounts was being reviewed and verified, and was on course to be produced by the due date. Once the accounts were finalised it was intended that they would be published on the Council's website.

During June and July, the Council's External Auditors – Grant Thornton, would conduct an audit of the accounts. This period would also provide Members with the opportunity to scrutinise the accounts in detail and request any additional information or raise any issues.

Members were reminded that regulations required the External Auditors report on their findings from the audit directly to Members before the end of July. This report would be presented to the next meeting of the Audit and Governance Committee.

RESOLVED: A. That the report on the Statement of Accounts 2017/2018 be noted.

B. That a further report to approve the audited Statement of Accounts be produced for the next meeting of the Committee.

**11 RIPA ACT MONITORING OF USE OF POWERS**

In relation to the quarterly monitoring of activity under the Regulation of Investigatory Powers Act 2000 (RIPA) the Borough Solicitor reported that there was no relevant activity to bring to the attention of the Committee.

RESOLVED: That the report be noted.

**12 ANTI-FRAUD AND CORRUPTION ACTIVITIES**

The Borough Treasurer provided the Committee with a summary of the fraud, bribery and corruption issues facing the Council and the action being taken to deal with them.

It was reported that the Council had always taken a steadfast approach to tackling fraud and corruption issues. The importance and profile of this issue had increased in recent times as a result of the difficult financial climate and reductions in Council funding. This had caused a double impact because economic distress could increase the incentive to commit fraud, and at the same time controls to prevent and detect fraud had come under pressure as Councils had to reduce their costs as a result of funding reductions.

RESOLVED: A. That the self-assessment of Fraud and Corruption issues as set out in Appendix 1 be noted.

B. That the Counter Fraud Plan as set out in Appendix 2 be endorsed.

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**WORK PROGRAMME**

Consideration was given to the Committee's Work Programme with the Members agreeing that prior to the Committee meeting in July that a training session on procurement be organised and it was noted that at prior to the October Committee, Members would receive training on the development company.

RESOLVED: That the Work Programme be noted.

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**Chairman**