

## Audit Committee Minutes

Minutes of the meeting of the Audit Committee of Wyre Borough Council held on Tuesday 7 February, 2012 at the Civic Centre, Poulton-le-Fylde.

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### **Audit Committee members present:**

Councillor Amos	Councillor MacNaughton
Councillor Balmain	Councillor Moon
Councillor Hargreaves	Councillor Rogers
Councillor Hewitt	Councillor T Taylor
Councillor Kay	Councillor Wilson
Councillor Lawrenson	

**Apologies:** Councillors E Anderton, Collinson, Greenhough and T Cutler - KPMG

### **Officers present:**

P Davies – Corporate Director of Resources and Section 151 Officer  
J Billington – Head of Governance  
K McLellan – Senior Auditor  
C Leary – Democratic Services Officer

### **Non-members present:**

I Leviston - KPMG

**Members of the public present:** None.

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### **Audit. 35 WELCOME AND APOLOGIES OF ABSENCE**

The Chairman welcomed everyone to the meeting of the Audit Committee and informed members that Tim Cutler of KPMG would be assisting Trevor Rees with his role as 'Engagement Lead' and would therefore be attending future Audit Committees in place of Trevor.

Apologies as detailed above.

### **Audit. 36 DECLARATIONS OF INTEREST**

None.

### **Audit. 37 CONFIRMATION OF MINUTES**

The minutes of the Audit Committee meeting held on Tuesday 8 November 2011 were confirmed as a correct record.

Karen McLellan updated the Committee in respect of progress with the Street Scene action plan (previously referred to at Audit. 31) having spoken to the Head of Operations.

**Audit. 38**     **REVIEW OF AUDIT COMMITTEE'S TERMS OF REFERENCE**

The Audit Committee's Terms of Reference are subject to a periodic review, in accordance with CIPFA 's Best Practice Guidance. Just one minor amendment was proposed as a result of this year's review and Members agreed that those changes be recommended to the next Standards Committee and full Council for approval.

The opportunity was taken to remind members of the need to formally declare gifts and hospitality received and the Head of Governance reported that only one register for both employees and elected members would be maintained in future.

**RESOLVED:** That

1. The Audit Committee's Terms of Reference be agreed and the proposed changes be recommended to the Standards Committee and full Council for approval.
2. The Gifts and Hospitality Register for 2010/11 be submitted to the next meeting of the Audit Committee for information.

**Audit. 39**     **ANNUAL INTERNAL AUDIT PLAN 2012/13**

The Head of Governance introduced the report, explaining that it was still a draft plan at this stage and may be subject to change.

Members discussed the Audit and Risk Management Plan and the Head of Governance explained how the process worked and how particular categories were selected for inclusion in the plan.

Audit Committee Members interested in shadowing the auditor, were asked to let Joanne know and every effort to accommodate such requests, would be made.

**RESOLVED:** That the Annual Internal Audit Plan for 2012/13 be approved.

**Audit. 40**     **ANNUAL AUDIT LETTER 2010/11**

Iain Leviston, Manager at KPMG, introduced the report, which summarises their key findings from the 2010/11 audit of Wyre Council.

Iain explained that although the letter is addressed to elected members, it is also intended to communicate these issues to key external stakeholders, including members of the public.

The auditors issued an unqualified value for money conclusion, which means that they were satisfied that the Council had proper arrangements for securing financial resilience and challenging how it secured economy, efficiency and effectiveness.

In relation to the International Financial Reporting Standards, he commented that

the authority had made good progress in moving from UK GAAP to IFRS.

All the issues in the letter had previously been reported.

**RESOLVED:** That the Annual Audit Letter for 2010/11 from the External Auditor be noted.

**Audit. 41      CERTIFICATION OF GRANTS & RETURNS 2010/11**

Iain Leviston, Manager at KPMG introduced the report, which summarised the results of their work on the certification of Wyre Council's 2010/11 grant claims and returns, which included:-

- Housing and Council Tax Benefit
- Disabled Facilities Grant
- NNDR Return

Iain spoke of a small adjustment to the Housing and Council Tax Benefit claim, where a software error had led to an understatement of the subsidy claimed. This led to additional testing being done by the Auditors and so there was a small increase to the fee. Overall, the conclusion was that there were robust systems and good arrangements in place and the Council had complied with all grant scheme requirements.

A software upgrade to correct the problem was scheduled prior to 31 March 2012. Members asked that the software provider be made aware of the additional audit fees and that the Council should seek to recover this cost.

**RESOLVED:** that the Certification of Grants and Returns for 2010/11 report be noted.

**Audit. 42      CONSULTATION ON INTERIM AUDITOR APPOINTMENT FOR 2012/13**

The Corporate Director of Resources introduced the letter received in December 2011 from the Audit Commission with regards to the Commission having to make a new auditor appointment for 2012/13 for Wyre Council.

Items of note included:-

- New contracts will be awarded for three or five years
- The Audit Commission will not be in a position to make the new auditor appointments before 1 September 2012
- The Audit Commission are proposing to make an interim auditor appointment to cover the period from 1 April 2012 to 31 August 2012
- The Commission proposes to appoint KPMG to audit the accounts of Wyre Borough Council for 2012/13 on an interim basis.
- The Commission will meet any costs incurred by the interim auditor

**RESOLVED:** that the proposed appointment of the Interim Auditor for 2012/13 be noted.

**Audit. 43      AUDIT COMMISSION UPDATE ON THE OUTSOURCING OF AUDIT SERVICES**

The Corporate Director of Resources introduced the letter from the Audit Commission updating Wyre Council on the outsourcing of Audit Services.

Items of note included:-

- The Commission plan to announce the results of the procurement exercise on 6 March 2012.
- Where a body is currently audited by a firm, they expect to extend that appointment.
- The Commission will consult all audited bodies on the proposed permanent auditor appointment in the week beginning 23 April 2012.

**RESOLVED:** that the Audit Commission Update on the Outsourcing of Audit Services letter be noted.

**Audit. 44      PERIODIC PRIVATE DISCUSSION WITH HEAD OF INTERNAL AUDIT**

Audit Committee Members were given the opportunity to speak to the Head of Governance in confidence, in accordance with the Audit Committee work programme.

*The Corporate Director of Resources and the Democratic Services Officer left the room for this item.*

**Audit. 45      DATE AND TIME OF NEXT MEETING**

**Audit Committee Meeting, Tuesday 22 MAY 2012 at 6 pm in Committee Room 1.**

The meeting started at 2.00 pm and finished at 2.52 pm

**Date of Publication: Thursday 16 February 2012**