



# AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Thursday, 26th January, 2023 at 6.30 pm

## PRESENT

### MEMBERS

Councillor Lord Wajid Khan of Burnley, In the Chair.

Councillors C Briggs, S Hussain, K Ingham, A Lewis, G Lishman (Vice-Chair), M Townsend, A Wight and H Baker

### OFFICERS

Lukman Patel	– Chief Operating Officer
Howard Hamilton-Smith	– Head of Finance and Property
Ian Evenett	– Internal Audit Manager
CJ Walmsley	– Democracy Officer

### CO-OPTED MEMBERS

Councillor Kathryn  
Haworth  
David Swift

### EXTERNAL AUDITORS

Georgia Jones – Grant Thornton-External Auditors

## 24. Apologies

Apologies for absence were received from Stuart Arnfield.

## 25. Minutes

RESOLVED – That the minutes of the last meeting held on 16<sup>th</sup> November 2022 be approved as a correct record and signed by the Chair.

The Chair extended thanks to the outgoing Vice Chair, Councillor Baker, and welcomed the new Vice Chair, Councillor Gordon Lishman.

## 26. Additional Items of Business

There were no additional items of business.

## **27. Declarations of Interest**

There were no declarations of interest on any items on the agenda.

## **28. Exclusion of the Public**

There were no items of business where members of the public needed to be excluded from the meeting.

## **29. Public Question Time**

No questions, statements or petitions had been received from members of the public.

## **30. External Audit Progress Report 2021/22**

Georgie Jones gave an overview of the audit progress report and sector update, which included the financial statements audit, accounting for infrastructure and value for money.

Progress also included an update on the Authority's annual Housing Benefit Subsidy claim, for which the certification work for 2021/2022 began in December 2022. The DWP had extended the deadline for reporting the findings of this work to 31<sup>st</sup> January 2023, but this had been delayed. It was expected that the findings would now be complete by the end of March, and the DWP was aware of this.

It was further reported that Officers had been invited to an Accounts Workshop scheduled to be held in February 2023.

Local Government External Audit Procurement was highlighted in terms of the 5 year External Audit appointment from 2023/24. It was reported that the External Auditors had changed and a report would be submitted to the March meeting of the Committee.

The Chair thanked the External Auditors for their work.

RESOLVED - (1) That the report be noted;  
(2) That a report on the External Audit Appointment from 2023/24 be submitted to the March meeting of the Committee.

## **31. Arrangements for 2022/2023 Annual Governance Statement**

A report was submitted that informed the Committee of the arrangements to provide assurance for an Annual Governance Statement for the financial year 2022/2023, which will accompany the Council's Statement of Accounts.

The assurance gathering process remained the same, and clarification was given regarding which Members are requested to complete a statement of assurance supported by a governance questionnaire.

RESOLVED – That the proposed process be approved.

### **32. Internal Audit Progress Report 2022/2023 Quarter 2**

A report was submitted on the work undertaken by Internal Audit for the period 1<sup>st</sup> July to 30<sup>th</sup> September 2022.

Concerns were raised with regards the reduced size of the revised Internal Audit Plan 2022/23 appended to the report. It was explained that the main change was a reduction in resources from 331 days to 210 days. The two main reasons for this were the appointment of Auditors only occurred in the second quarter and the appointment of a part time temporary Auditor to cover the leave of a full time Auditor. Lower risk planned audits had been removed, where they had not yet commenced.

It was acknowledged that resources were stretched, however audits were risk based across all strategic priorities, with close liaison with project leads to identify risks. Management had recommended a separate Data Protection and Procurement Officer, which would enable more resources for Internal Audit.

It was queried if it was possible to increase audit resources in the current financial year. However, due to difficulties in recruiting and the level of training and experience required, it was felt that this wouldn't be achievable in the time remaining of the financial year. Due to the difficulty nationally in recruiting, it was reported that trainee posts were being considered to address the issue.

It was questioned how detrimental write offs were to the Council, given the current financial climate. The Committee was advised that a proportion of bad debt was accounted for and had been sufficient thus far. It was regularly reviewed and would be flagged if it became an issue.

RESOLVED – That the report be noted.

### **33. Fraud Risk Assessment 2022/2023**

A report was submitted that informed Members of the current fraud trends that affect the public sector.

Council Tax fraud, in relation to Single Person Discount (SPD) was highlighted. SPD data was currently matched with the Electoral Roll and anomalies referred to Revenues and Benefits for investigation. Work was also being done with Liberata, with regards specialist software that can check Experian.

With regards to Council Tax for long term empty properties, Councillor Townsend queried the discrepancies with the figures, compared with the Annual Monitoring Report. A detailed response to clarify the position would be circulated.

RESOLVED – (1) That the report be noted; and  
(2) That a detailed response be sent to clarify the figures in relation to Council Tax for long term empty properties.

### **34. CIPFA Audit Committee Guidance**

The Committee considered the revised Chartered Institute of Public Finances and Accountancy (CIPFA) Audit Committee guidance documents. The documents included: -

- CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022.
- The Audit Committee Member in a Local Authority 2022 edition.
- Guiding the Audit Committee – Supplement to the Audit Committee Member guidance 2022 edition.
- Interactive Appendix E – Self-assessment of good practice.
- Interactive Appendix F – Evaluating the impact and effectiveness of the Audit Committee.

RESOLVED - (1) That the report and guidance be noted; and  
(2) That the use of Interactive Appendices E and F to assess the performance and effectiveness of the Committee in the delivery of the Council's and Committees objectives be approved.

### **35. Code of Conduct Review**

A report was submitted on the Code of Conduct Review. Members were asked to consider the Borough Council's Code of Conduct (existing Code) for Members and associated Complaints Procedure, following the publication of the Local Government Ethical Standards report produced by The Committee on Standards in Public Life (CSPL) and the Local Government Association's (LGA) Model Code of Conduct (LGA's Model Code).

It was reported that the LGA's Model Code had received a lukewarm response from local authority Monitoring Officers and concerns had been raised over the wording in relation to interests.

RESOLVED - (1) That the Audit and Standards Committee recommends to Full Council to make the proposed changes to the Council's existing Code and associated Complaints Procedure, as set out in Appendix B in response to the Best Practice recommendations contained in the Local Government Ethical Standards report produced by the CSPL as abstracted in the LGA's Model Code; and  
  
(2) That the decision to adopt the Model Code be deferred for 12 months due to the perceived ambiguities in the LGA's Model Code at this moment in time and review the situation when the position is clearer of the LGA produces an updated code.

### **36. Local Government (Disqualification) Act 2022 Changes to Disqualification Criteria for Councillors**

A report was submitted that updated the Committee on the new grounds for disqualification from being elected to, or being a member of, a local authority that had been introduced by the Local Government (Disqualification) Act 2022.

A concern was raised with regards Elected Members only requiring a standard DBS check. It was explained that there was no requirement under law for an enhanced check unless engaged in functions relating to children or vulnerable adults. Furthermore, a DBS check was carried out per role and was not transferrable, and it wouldn't necessarily highlight anti-social behaviour. It was felt that the position could be reviewed at the Member Structures and Support Working Group.

Information on the cost of enhanced DBS checks was requested by Councillor Baker.

RESOLVED - (1) That the report be noted and forwarded to Full Council; and  
(2) That following Full Council the Monitoring Officer be requested to forward a copy of the report to Parish and Town Councils in the Borough for information along with a recommendation that the report be considered and noted at their next Parish and Town Council meetings.

### **37. Member Complaints Statistics 2022/2023 Municipal Year - Interim Report**

A report was submitted that provided an interim update regarding complaints made about the conduct of Members during the 2022/23 municipal year.

Frustrations were voiced at the lack of sanctions and powers available when dealing with complaints.

RESOLVED – That the report be noted.

### **38. Work Programme**

RESOLVED – That the work programme be noted.