



AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Wednesday, 20th March, 2024 at 6.30 pm

PRESENT

MEMBERS

Councillor A Raja, In the Chair.

Councillors G Barton, Hall, K Ingham, G Lishman, M Steel and A Wight

OFFICERS

Howard Hamilton-Smith	–	Director of Resources
Catherine Waudby	–	Head of Legal and Democratic Services
Ian Evenett	–	Internal Audit Manager
CJ Walmsley	–	Democracy Officer

CO-OPTED MEMBERS

David Swift

EXTERNAL AUDITORS

Amelia Salford – External Auditors - Mazars

43. Apologies

Apologies for absence were received from Councillor Brindle, Stuart Arnfield, Catherine Haworth and Karen Murray.

44. Minutes

RESOLVED – That the minutes of the last meeting held on 14th December 2023 be approved as a correct record and signed by the Chair.

45. Additional Items of Business

There were no additional items of business to be considered.

46. Declarations of Interest

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

47. Exclusion of the Public

Exclusion of press and public was as set out on the agenda.

48. Public Question Time

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

49. Regulation of Investigatory Powers Act - Annual Return

A report was submitted that provided Members with an update of the recent Regulation of Investigatory Powers Act 2000 ("RIPA") Inspection by the Investigatory Powers Commissioner's Office ("IPCO") and reported authorisations issued under RIPA.

The latest inspection took place in the form of a desktop assessment in October 2023. The IPCO Inspector was satisfied that there was ongoing compliance with RIPA 2000 and the Investigatory Powers Act 2016. The Inspector noted that the RIPA policy was last refreshed in 2021 and noted currently that the Senior Responsible Officer (SRO) could not give an assurance that the use of social media by staff was routinely reviewed for compliance with RIPA. The IPCO Inspector recommended that these matters be addressed forthwith. Work was currently being undertaken to refresh the policy and to reinforce the use of social media in compliance with RIPA. Minor amendments to the policy would be actioned in consultation with the Leader.

In 2023 there was no surveillance activity by the Council necessitating authorisation under RIPA.

RESOLVED – That the report be noted.

50. Code of Conduct Review

A report was submitted which updated the Committee on a review of the Borough Council's Code of Conduct for Members and requested consideration of a minor change which was being proposed, namely the appointment of an additional Independent Person, and to consider whether to proceed with the adoption of the Local Government Association's (LGA) Model Code of Conduct (LGA Model Code), which had been considered by the Committee on 26th January 2023 and deferred for 12 months due to the perceived ambiguities.

Following the review of The Code in January 2023 the Committee agreed with the recommended changes to the Code, which were consistent with the Committee for Standards in Public Life (CSPL) recommendations, and these were subsequently approved by Full Council. These included strengthening the Code on the behaviours of bullying and harassment.

The CSPL recommended that local authorities review their codes of conduct annually to increase transparency and improve trust and confidence in the local democratic process. Therefore, a minor amendment was proposed, in line with CSPL recommendations, that given the volume of complaints received in the past year, and to provide resilience and support to the complaints process, a third Independent Person be recruited.

The Committee was also asked to consider whether it wished to proceed with the adoption of the LGA Model Code, and if so, establish a sub-committee to consider whether to recommend the adoption to Full Council; or resolve to review the situation in 12 months if it felt that the LGA Model Code did not materially improve or add rigour to the existing arrangements.

RESOLVED - (1) That the Audit and Standards Committee recommend to Full Council to approve the proposed minor change to the Council's Code of Conduct, namely the appointment of an additional Independent Person; and
(2) That the adoption of the LGA Model Code not be recommended to Full Council, but the matter be reviewed in 12 months.

51. External Audit Progress Report 2023/24 - Mazars

Mazars, the newly appointed External Auditors, presented the Council's Audit progress report. The report provided an overview of the External Auditor's responsibilities for 2023/24, confirmation of the audit engagement team, and a provisional timeline for the 2023/24 audit. The report also included a number of national publications that may have been of interest to the Committee.

Provisional dates for audit fieldwork were outlined, but these were dependent on the outcome from the Department for Levelling Up, Housing and Communities consultation on addressing the local audit backlog. Any changes would be discussed with management.

Final sign off of the Audit report would depend on receiving assurance in respect of the pensions liability from the Lancashire County Pension Fund auditor. The timing of this was not yet agreed but it was not expected to be before October 2024.

It was reported that the Audit Strategy Memorandum would be submitted to the June meeting of the Committee.

RESOLVED – That the report be noted.

52. Grant Thornton - Final Fee Burnley Borough Council

A letter from Grant Thornton, the Council's previous auditor's, regarding their review of the final fees, was submitted to the Committee for information.

An additional fee of £4,000 was due in respect of the additional work that had been required on the pension surplus on IFRIC14.

RESOLVED – That the additional fee of £4,000 be noted.

53. Annual Accounts 2023/24 Arrangements

A report was submitted which updated the Committee on the arrangements made to date and the implications of the changes required for the Council ahead of the closure of the 2023/24 accounts.

The accounting policies had been reviewed with one minor amendment made. Paragraph XVIII Property, Plant and Equipment had been updated for clarification purposes only and was not due to a change in procedure. There were no significant changes and there was no material financial impact of adopting the changes.

Members were reminded that following a consultation exercise by DLUCH the deadlines for completion of the draft and audited Statement of Accounts were extended for the 2020/21 and 2021/22 financial years to 31 July (previously 31 May) for the draft Statement of Accounts and 30 September for the audited Statement of Accounts (previously 31 July). Legislation was later introduced to further extend the deadline for the 2021/22 audited Statement of Accounts to 30 November. These extensions came to an end for the 2022/23 financial year where the deadline for the draft Statement of Accounts reverted back to 31 May and the deadline for the audited Statement of Accounts was extended to 30 September. The extension for the audited Statement of Accounts would run for 6 years to 2027/28, until the end of the next PSAA (Public Sector Audit Appointments) appointing period at which time it would be reviewed. The extension to 30 September was to help mitigate the extent of ongoing delays in some Local Authorities in publishing prior years Statement of Accounts and capacity issues within the audit sector.

It was reported that a date would be confirmed for a final accounts workshop for Committee Members, where officers would present the 2023/24 Statement of Accounts and explain the findings and issues.

RESOLVED -

- (1) That the report and the arrangements being made in advance of the closure of accounts for the year 2023/24 be noted;
- (2) That the proposed accounting policies to be followed in producing the Statement of Accounts be approved; and
- (3) That the deadlines for publication of the draft and audited Statement of Accounts be noted.

54. Internal Audit Progress Report 2023/24 Q3

A report was submitted which informed Members of the work undertaken by Internal Audit for the period 1st October to 31st December 2023. There had been 7 audit reports produced and details were appended to the report.

The Fees and Charges audit had been completed and had highlighted several issues where services were not following required procedures which had led to expanded testing. A review was undertaken after the audit to ensure correct fees and charges were applied. Any impact on income stream would have been picked up through Revenue Monitoring.

Concerns were expressed regarding the progress of final audits since quarter 2. It was clarified that there would be audits that would be carried forward, however the Internal Audit Manager was confident that there would be sufficient audits to produce an opinion.

RESOLVED – That the report be noted.

55. External Review Report

A report was submitted that informed Members of the progress on the External Review of Internal Audit Action Plan. It was highlighted that dates for the completion of qualification, the training programme for Members and the audit of Health and Safety had been revised.

RESOLVED – That the report be noted.

56. Internal Audit Plan 2024/25

A report was submitted on the audit planning process and sought approval on the proposed Internal Audit Plan for 2024/25.

RESOLVED - (1) That the report be noted; and
 (2) That the proposed Internal Audit Plan for 2024/25 be approved.

57. Work Programme

Members were asked to note the updated work programme for the current municipal year.

RESOLVED – That the work programme for 2023/24 be noted.