



AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Thursday, 16th March, 2023 at 6.30 pm

PRESENT

MEMBERS

Councillor Lord Wajid Khan of Burnley, In the Chair.

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

OFFICERS

Catherine Waudby	– Head of Legal and Democratic Services
Amy Johnson	– Finance Manager
Ian Evenett	– Internal Audit Manager
Suzanne Rawson	– Auditor
Alison McEwan	– Democracy Officer

CO-OPTED MEMBERS

David Swift
Stuart Arnfield

EXTERNAL AUDITORS

Helen Stevenson – Grant Thornton-External Auditor

39. Apologies

Apologies were received from Councillors Hussain & Ingham, Parish Councillor Kathryn Haworth and Georgia Jones of Grant Thornton.

40. Minutes

The minutes of the last meeting were approved as a correct record and signed by the Chair.

41. Regulation of Investigatory Powers Act - Annual Return

The report presented by Catherine Waudby was noted.

42. External Audit Progress Report 2022/23

Helen Stevenson from Grant Thornton introduced the first progress report having carried out some initial work. The timetable for the 2022/23 audit was set out in the report and the Audit Plan would be taken to the July Committee meeting.

The Housing Benefit Subsidy claim verification was underway and was due to be completed by the end of March.

The Auditor's Annual Report had been delayed due to some outstanding information.

In considering the report members asked the following:

- With regard to the outstanding information for the Auditor's Annual Report was this internal or external information and had it now been provided?
 - The information related to a new benchmarking requirement. Therefore, the information needed to be compiled and then the benchmarking carried out. The information was ready and the benchmarking would be carried out and provided to the auditors in the next couple of weeks.

43. Internal Audit Progress Report 2022/23 Q3

Ian Evenett introduced the report.

Additional funding for audit days and support had been agreed. The structure would strengthen the team and allow more focus on audit business.

The Internal Audit Plan had not been finalised and would be brought to the next meeting. The Creditors audit findings had been issued and several other audits in progress.

In considering the report members discussed the following:

- Whether the new staffing and structure would be sufficiently established to support 2023/24 programme?
 - Whilst not perfect there was also greater management support for the team to focus within the service which would also be helpful.
- 7 audits were 'in progress' – was it better to focus on a smaller number until complete?
 - The process is as follows: Each auditor will usually be carrying out preliminary work on one audit; carrying out the main work on a second audit; and carrying out the final work on a third audit at any one time.
- The Internal Audit Plan for 2023/24 hadn't been brought to committee yet. Could work be started prior to Committee having sight?
 - Yes – the plan is the responsibility of the Chief Audit Executive to determine, but the plan will be agreed in consultation with Management Team and the Committee Chair or Committee as soon as possible.
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44. External Review Report

Ian Evenett introduced the report and the importance of bringing the service into compliance as soon as possible. To facilitate this there was an action plan in the report and more detailed plans were in development.

In considering the report members discussed the following:

- The report was excellent and the thanks of the Committee to the Peer Reviewers should be put on record.
- It seems clear that the Internal Audit Manager hadn't always had sufficient time to focus on Audit. It was good to see additional resource allocated to support this.
- The report highlighted that there were some outstanding items from the last review that hadn't been fully actioned. How could the Committee ensure that the actions were being progressed?
- There was a reputational risk, especially as a result of those recommendations from 2017 which hadn't been implemented. There needed to be a robust action plan with timescales and milestones to be monitored.
 - The Committee would be updated at meetings. A standing agenda item on progress would be added to the Work Plan. The Quality Assurance and Improvement Programme will also be referenced in the Audit Plan and reported into Committee in progress reports.
 - The report had been published during January then circulated into Management Team with a draft Action Plan. This had then been circulated to Committee for their next meeting.
 - The Team have started to make a significant overhaul in processes which will form part of a more detailed plan and response.
- Training of the Committee was identified as a requirement.
 - The Audit Team would work with the Committee and Democracy to provide suitable training.
- With reference to Risk Management should there be a council wide review of Risk Management and new, emergent & contingent risks? What other sources of assurance were there?
 - That was part of the remit of this Committee, the Executive and Head of Finance. A risk review could be undertaken, but the Internal Audit Manager would need to remove themselves from the process as they were conflicted. The day to day management and policy followed a standard international approach. Risk Mapping is carried out and can be brought to committee. The Council also takes risk advice externally e.g. from insurers etc. Whilst there is no external source such as OFSTED or the CQC for example, the Council's Health & Safety Advisor carries out a number of audits which provide assurance.

45. Annual Accounts 2022/23 Arrangements

Amy Johnson presented the report which set out changes to both the procedures and accounting policies for the closure of the 2022/23 accounts. Whilst the deadline for submission of the audited statement of accounts had reverted to 31st July. However, there has now been a new extension granted for the next 6 years – to the 30th September.

Members noted the report and deadlines and RESOLVED to approve the accounting policies as shown in Appendix 1 to the report.

46. External Auditor Appointment - Update

Ian Evenett presented an update on the appointment of new external auditors for the period 2023/24 – 2027/28. Following the process Mazars LLP have been appointed. There will be a handover period with the current auditors.

47. Terms of Reference of Audit and Standards Committee - Refresh

Alison McEwan gave a verbal update on the proposed refresh of the Terms of Reference of the Audit & Standards Committee.

Following best practice guidance that the Audit & Standards functions should be separated Officers had consulted Member Structures Working Group on the proposals. Whilst acknowledging the guidance, concerns were raised about potential increased costs of having another committee and filling additional committee seats.

Officers were asked if they could look to separate the functions by the use of two sub-committees sitting under one Chair. Officers agreed to draft refreshed terms of reference on this basis. Officers were in the process of drafting the ToR.

Members asked the following:

- When would the changes start?
 - It would be ideal to start from the beginning of the Municipal Year but time is limited.

48. Work Programme

A standing item on External Review to be added to the workplan.