



AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Thursday, 27th July, 2023 at 6.30 pm

PRESENT

MEMBERS

Councillor Margaret Brindle, In the Chair.

Councillors A Raja (Vice-Chair), H Baker and G Barton

OFFICERS

Catherine Waudby	– Head of Legal and Democratic Services
Amy Johnson	– Finance Manager
Ian Evenett	– Internal Audit Manager
CJ Walmsley	– Democracy Officer

CO-OPTED MEMBERS

EXTERNAL AUDITORS

Georgia Jones – Grant Thornton-External Auditors

1. Apologies

Apologies for absence were received from Councillor L Khan, Stuart Arnfield and David Swift.

2. Minutes

RESOLVED – That the minutes of the last meeting held on 16th March 2023 be approved as a correct record and signed by the Chair.

3. Additional Items of Business

The Chair had agreed that an additional item of business be considered at agenda item 8a, Informing the Audit Risk Assessment for Burnley Borough Council 2022/23.

4. Declarations of Interest

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

5. Exclusion of the Public

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

6. Public Question Time

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

7. Standards Complaints Updates

A report was submitted that provided an update regarding complaints made about the conduct of Members of the Borough Council, Parish Councils and Town Council during the 2022/23 municipal year.

During the preceding municipal year, the Council's Monitoring Officer had received a total of 18 complaints. 10 complaints were concerning Members of the Borough Council and 8 complaints were regarding Briercliffe Parish Council. No complaints had been received regarding Members of the Town Council or other Parish Councils within the Borough.

By contrast 6 complaints were received regarding Borough Councillors in 2021/22, with no complaints regarding Parish and Town Councillors.

RESOLVED – That the report be noted.

8. External Auditor's Annual Report on Burnley Borough Council 2021/22

The External Auditor's Annual report was submitted for consideration. Arrangements were assessed under three areas, namely Financial Sustainability; Governance; and Improving Economy, Efficiency and Effectiveness, and the report highlighted improvement recommendations.

Audit Committee Member training was raised, and it was reported that training requirements of the Committee needed to be assessed. A questionnaire was to be sent out to Members to establish skills and experience and what training was required. This would be in addition to the annual Treasury Management and Statement of Accounts training. It was highlighted that some training may be available via the CIPFA Financial Advisory Network.

Clarification was given that the Internal Audit Manager role was independent of Council Management and the Committee, and now included the Chief Audit Executive, to separate it from the Section 151 Officer role.

It was further reported that an audit of procurement was planned for this financial year and there were regulations that stipulated the tendering process.

RESOLVED – That the report be noted.

9. External Audit Plan 2022/23

The External Audit Plan 2022/23 was submitted for consideration. The document provided an overview of the planned scope and timing of the statutory audit of the Council for those charged with governance. It outlined the headlines and the significant risks identified, along with progress made against the previous year recommendations, approach to materiality and Value for Money arrangements.

Information relating to the true position regarding Burnley Leisure Trust (BLT) pensions was requested. It was reported that BLT Pension Fund was separate to the Council, however the Council guaranteed the employers contribution of the TUPE staff. There was a 5 year budget projection which was reviewed annually. This was a decreasing risk due to the transfer timeframe.

RESOLVED – That the report be noted.

10. Informing the Audit Risk Assessment for BBC 2022/23

A report was submitted that covered some important areas of the auditor risk assessment and included a series of questions on each area and the response received from management. The Committee were asked to consider whether the responses were consistent with its understanding and whether any further comments needed to be made.

Overall the Committee felt the responses were adequate, although more detail could have been included.

RESOLVED – That the report be noted.

11. Annual Governance Statement 2022/23

The Annual Governance Statement 2022/23 was submitted for approval. There were no significant issues identified by the review and there were no significant issues to update from the previous years' statements.

It was clarified that fraud awareness training wasn't currently mandatory, and it was up to individual managers to consult with staff and make training available.

RESOLVED – That the Annual Governance Statement 2022/23 be approved.

12. Strategic Risk Register 2023/24

A report was submitted which updated Members on the current Strategic Risk Register. It was reported that the major change was the inclusion of updates on actions taken to reduce the risk or relevant to risk. This had expanded to register with details from the main Officers or actions which had occurred to reduce the risk. No updates had been made to the Triggers or Causes, or the Risk Scores within the register.

Substance use in the Town Centre was raised in relation to the potential impact it may have on current and potential consumers, insofar as it may be a risk in terms of delivering strategic objectives for the retail scheme. This concern would be passed onto the Council's Executive.

Clarification was sought regarding 'Malicious Attacks' on the register, what that included and why it was low risk. Whilst it was a big concern, £170k of precautions had been implemented to mitigate cyber-attacks, which had been funded by the Government. It was reported that malicious attacks also included public disturbance.

The recent inclusion of 'Environmental Events' with risk set at amber, was highlighted.

RESOLVED - (1) That the report be noted; and
(2) That the Strategic Risk Register be recommended to the Executive

13. Internal Audit Opinion 2022/23

A report was submitted which asked Members to consider the Internal Audit Manager opinion on the Internal Controls of the Council for the 2022/23 financial year.

Sufficient assurance work had been carried out to provide an opinion, and overall the effectiveness of the organisation's governance, risk management and control processes was adequate. The controls of the Council continued to operate effectively, which included compliance with policy, separation of duties, authorisation, monitoring and internal checks. Where during audits, control weaknesses had been identified, these had been addressed as part of the agreed Action Plan.

Councillor Baker queried the reporting of NNDR write offs and requested that this information be provided. It was reported that this was part of the Collection Fund accounting and wasn't an Audit Committee function. The authority to write off was covered in the Council's Constitution, and the value of the NDR write offs was recorded in the Statement of Accounts.

RESOLVED – That the report be noted.

14. Internal Audit Plan 2023/24

A report was submitted on the audit planning process and sought approval on the proposed Internal Audit Plan for 2023/24, which was currently active. The Committee were the 'Board' in respect of the Public Sector Internal Audit Standards (PSIAS), and part of the role was approval of a risk-based plan.

The proposed Plan was based on the result of a risk assessment exercise, whilst also maintaining audit coverage across all services of the Council. Where possible audits may be combined. The audits that had been delivered so far were those that had been carried over from the 2022/23 plan. Whilst consideration would be given to the whole of the Council, and there would be involvement in a range of services, some activities of the Council would not register as a high enough risk to require an audit.

RESOLVED that the proposed Internal Audit Plan for 2023/24 be approved.

15. External Review Report

A report was submitted which updated Members on progress made on the External Review of Internal Audit Action Plan. Further reports would be submitted to provide regular updates.

RESOLVED that the report be noted.

16. Work Programme

RESOLVED – That the work programme for 23/24 be noted.