

# AUDIT AND STANDARDS COMMITTEE

Wednesday, 22nd July, 2020  
6.30 pm





# AUDIT AND STANDARDS COMMITTEE

## REMOTE MEETING

Wednesday, 22nd July, 2020 at 6.30 pm

Members are reminded that if they have detailed questions on individual reports, they are advised to contact the report authors in advance of the meeting.

Members of the public may ask a question, make a statement, or present a petition relating to any agenda item or any matter falling within the remit of the committee.

Notice in writing of the subject matter must be given to the Head of Legal & Democracy by 5.00pm on the day before the meeting. Forms can be obtained for this purpose from the reception desk at Burnley Town Hall or the Contact Centre, Parker Lane, Burnley. Forms are also available on the Council's website <https://bit.ly/2BWX7d2>

## AGENDA

### 1) *Apologies*

To receive any apologies for absence.

### 2) *Minutes*

5 - 8

To approve as a correct record the minutes of the previous meeting.

### 3) *Additional Items of Business*

To determine whether there are any additional items of business which, by reason of special circumstances, the Chair decides should be considered as a matter of urgency.

### 4) *Declarations of Interest*

To receive any declarations of interest from Members relating to any item on the agenda, in accordance with the provisions of the Code of Conduct.

### 5) *Exclusion of the Public*

To determine during which items, if any, the public are to be excluded from the meeting.

### 6) *Public Question Time*

To consider questions, statements or petitions from Members of the Public.

## PUBLIC ITEMS

<b>7) Draft Member Code of Conduct</b>	9 - 24
<b>8) Internal Audit Annual Audit Opinion</b>	25 - 36
To consider the annual audit opinion 2019/20.	
<b>9) Annual Governance Statement 2019/20</b>	37 - 48
To consider the Annual Governance Statement 2019/20.	
<b>10) Strategic Risk Register</b>	49 - 68
To consider the Strategic Risk Register.	
<b>11) Work Programme</b>	69 - 70
To consider the Work Programme for the current year.	
<b>12) Participants list</b>	71 - 72
<b>13) Remote meeting protocol</b>	73 - 74
<b>14) Cisco Webex Meetings - joining instructions</b>	75 - 80

## **MEMBERSHIP OF COMMITTEE**

### **Councillors**

Councillor Paul Campbell (Chair)  
 Councillor Sue Graham (Vice-Chair)  
 Councillor Bill Brindle  
 Councillor Tom Commis  
 Councillor Shah Hussain

Councillor Margaret Lishman  
 Councillor Lorraine Mehanna  
 Councillor Mark Payne  
 Councillor Andrew Tatchell

### **Co-opted Members**

Louise Gaskell, East Lancashire  
 Chamber of Commerce  
 Councillor Kathryn Haworth, Habergham  
 Eaves Parish Council  
 Councillor Gill Smith, Cliviger Parish  
 Council  
 Stuart Arnfield, Burnley College

### **External Auditor**

Aaron Gouldman, Grant Thornton - External  
 Auditor  
 Mark Heap, Grant Thornton  
 Chloe Edwards, Grant Thornton

Published: Tuesday, 14 July 2020

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## AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Wednesday, 4th March, 2020 at 6.30 pm

### PRESENT

### MEMBERS

Councillor Paul Campbell, In the Chair.

Councillors S Graham (Vice-Chair), T Commis, M Lishman, A Newhouse and A Tatchell

### OFFICERS

Asad Mushtaq	– Head of Finance and Property
Ian Evenett	– Internal Audit Manager
Imelda Grady	– Democracy Officer

### CO-OPTED MEMBERS

Louise Gaskell  
Councillor Kathryn  
Haworth  
Stuart Arnfield

### EXTERNAL AUDITORS

Mark Heap	– Grant Thornton
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#### 38. Welcome

The Chair welcomed Stuart Arnfield, Director of Finance and Resources, Burnley College as the new Independent member of the Committee.

#### 39. Apologies

Apologies were received from Gill Smith.

#### 40. Minutes

The Minutes of the meeting held on 15<sup>th</sup> January 2020 were approved as a correct record and signed by the Chair.

## **41. Additional Items of Business**

In accordance with the provisions of Section 100 (B) (4) (b) of the Local Government Act 1972 the Chair decided that the following item relating to a Local Resolution should be considered in order for the Committee to be informed in a timely manner.

## **42. Local Resolution**

The Committee received a note of the Monitoring Officer regarding a Local Resolution that had been made in relation to the conduct of an elected member.

The note referred to a protocol that had been put in place and Members were informed that this related to the individual member concerned.

### **IT WAS AGREED**

That the report be noted.

## **43. Audit Plan 2019-20**

Mark Heap from the external auditors present the Audit plan for 2019/20 which provided an overview of the planned scope and timing of the statutory audit of Burnley Borough Council.

He highlighted the significant risks to the Council which were valuation of land and buildings and valuation of the pension fund liability. He reported on the value for money arrangements including some specific risks around financial sustainability and the major capital schemes.

In respect of the timing of the Audit for 2019/20 he reported that it was likely to be September 2020 due to more work being required by the FRC's expectation of improved financial reporting and the auditors requiring to undertake additional and more robust testing. Mark explained that this had resulted in a variation in fees for the 2019/20 audit and some from the 2018/19 audit. He said that under ethical standards these needed to be agreed before work could commence on the 2019/20 and he was in discussions with the Head of Finance and Property.

The Head of Finance and Property said he was disappointed about the later date for the audit sign off and that he would need to see evidence of the additional work undertaken by Grant Thornton before sign off of the increased fees.

Louise Gaskell asked if there were any implications for the Council in the later date of the audit and Mark said that the Council would only need to put a statement on its website regarding the date of the audit.

Councillor Margaret Lishman said that the late notification of the fees had an impact on the Council's budget setting process and the need to get agreement before the new audit could commence was not an acceptable position. Mark said that the Council would be kept informed at each Audit and Standards Committee and that he would also be in regular contact with the Head of Finance and Property regarding identifying any fee variation in a more timely manner in future.

## **IT WAS AGREED**

That the report be noted.

### **44. Internal Audit Report Q3 2019-20**

The Internal Audit Manager presented the work undertaken by the Internal Audit Team for the quarter 3 period 1<sup>st</sup> October to 31<sup>st</sup> December 2019.

He reported that there had been 4 Council audit reports produced and 1 for Burnley Leisure.

The performance statistics were detailed in appendix 2 and showed that a number of audits had been started and completed and would form part of a later quarter statistics to be reported.

Other activity included involvement with the Council's Talent Management Scheme, the Renewable Energy Group and updating the Council's Business Continuity Plans.

Councillor Sue Graham asked about the facilities management score of 3 (limited assurance) and the Internal Audit Manager said that a better flow of data reporting between the Council and Liberata was required and that this was being addressed.

In respect to the desktop software the Chair reported ongoing members' problems in accessing ELVIS modules and the Internal Audit Manager said that this was out of the scope of the audit but it would be looked at in the future

## **IT WAS AGREED**

That the report be noted.

### **45. Strategic Risk Register**

The Internal Audit Manager updated members on the current Strategic Risk Register and reported that the assessment of it had required no specific improvement actions.

Councillor Sue Graham asked about the risk of the current corona virus and its inclusion in the register. The Internal Audit Manager said that this was contained in the business continuity section and explained that there was a tier of risk registers with national, local/regional and service level registers. The Council was actively planning for the impact of the virus on staffing and service issues.

Councillor Margaret Lishman said that the Council needed to show this as a major risk in its own right and it ought to be included on the register.

Kathryn Haworth asked if staff had been given basic handwashing training or if any deep cleaning of IT equipment was required. The Internal Audit Manager said that the Council was following the health service guidance and hand sanitisers had been installed in the Council buildings and that Liberata would address the IT issues and any actions required

for cleaning. The Chair asked that all staff and the elected members be informed of the hand sanitisers.

**IT WAS AGREED**

That the report be noted.

<b>46. Work Programme</b>
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The Work Programme was noted.

ITEM NO	
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## REPORT TO AUDIT AND STANDARDS COMMITTEE

	<b>DATE</b>	<b>22<sup>nd</sup> July 2020</b>
	<b>PORTFOLIO</b>	<b>Resources and Performance Management</b>
	<b>REPORT AUTHOR</b>	<b>Catherine Waudby</b>
	<b>TEL NO</b>	<b>7198</b>
	<b>EMAIL</b>	<b>Cwardby@burnley.gov.uk</b>

## MODEL MEMBER CODE OF CONDUCT CONSULTATION DRAFT

### PURPOSE

1. To inform members of the publication of the Local Government Association's Model Member Code of Conduct which is open for consultation from 8<sup>th</sup> June 2020 to 17<sup>th</sup> August 2020.

### RECOMMENDATION

2. (1) That members note the Local Government Association's (LGA) Model Member Code of Conduct.  
(2) That members take up the opportunity offered by the LGA to make representations on the draft Code of Conduct either through completing the online questionnaire or by attending the free online webinars organised by the LGA.

### REASONS FOR RECOMMENDATION

3. To give members a chance to shape the Model Member Code of Conduct by participating in the webinars and completing the questionnaire offered by the LGA.

### SUMMARY OF KEY POINTS

4. The Localism Act 2011 places a duty on all Councils to have a Code of Conduct for members. The requirement for a code is to promote and maintain high standards of conduct by members and to safeguard the public's trust in local government. The Code of Conduct forms part of the Council's constitution.
5. For a number of years, there has been criticism of the current standards regime in England for members, especially in relation to the sanctions that can be imposed by Councils where members have breached the Code of Conduct. It's considered that the sanctions which are available are not sufficiently robust enough to address serious misconduct or repetitive low-level misconduct which then erodes public confidence in local ethical standards.
6. In January 2019 the Committee for Standards in Public Life produced its report into its review of Local Government Ethical Standards. The review was to check that the current framework was conducive to promoting and maintaining standards expected by the public. The Committee concluded that more robust safeguards were needed to strengthen the existing system. It recommended introducing a power of suspension to be imposed on a member when they had seriously breached the code with a right of appeal to the Ombudsman against the suspension. The Committee also recommended a new model Code of Conduct. A number of the Committee's recommendations required legislative

	change.
7.	The LGA was tasked with drawing up a new Model Code of Conduct for Members. The LGA's draft has been published for consultation and is attached at appendix 1. The LGA has developed the draft in consultation various stakeholders within the sector. They suggest it can be adopted in whole or in part with local amendments. The draft Code is out for consultation until 17 <sup>th</sup> August 2020. The LGA has stated that it intends to create additional guidance, working examples and explanatory notes to assist in the interpretation of the code.
8.	Whilst the Draft Model Code of Conduct restates the seven principles of public life ( selflessness; integrity; objectivity; accountability; openness; honesty and leadership) it is noted that the sanctions proposed in the draft Code of Conduct do not include the Committee for Standards in Public Life's recommendation of suspension from office for a member for up to six months with a right of appeal to the Ombudsman for the most serious of breaches. The proposed maximum sanction for a breach of a serious nature is a bar on attending committees for up to two months. The Code does however make it clear that it applies to members when using social media.
9.	The LGA is running 3 webinars on 29 <sup>th</sup> July, 30 <sup>th</sup> July and 5 <sup>th</sup> August for officers and members of local authorities which are free of charge, as well as offering an online consultation questionnaire for officers and members. Webinar bookings can be made using the link <a href="https://lgaevents.local.gov.uk/lga/frontend/reg/thome.csp?pageID=307753&amp;eventID=902&amp;CSPCHD=002001000000fPjOnSn1QpSwngPw24OZnoc_GSAXugEDFCyyqU">https://lgaevents.local.gov.uk/lga/frontend/reg/thome.csp?pageID=307753&amp;eventID=902&amp;CSPCHD=002001000000fPjOnSn1QpSwngPw24OZnoc_GSAXugEDFCyyqU</a> . The questionnaire can be accessed using the link <a href="https://research.local.gov.uk/jfe/form/SV_blupYNXmiJ0xECV">https://research.local.gov.uk/jfe/form/SV_blupYNXmiJ0xECV</a> The LGA welcomes comments on the consultation draft and wishes to know whether it stands up to the new ways of working that have been introduced in recent months, and whether it gives enough of a steer on social media and online working. Members are encouraged to participate on the online questionnaire and attend the webinars. If members wish Democracy Officers to book the webinars on their behalf, they are asked to contact Christine Wood via email at christinewood@burnley.gov.uk.
10.	A further report will be brought to this Committee once consultation on the Model Draft Code has been ended, and the revised Code is published.

<b>FINANCIAL IMPLICATIONS AND BUDGET PROVISION</b>	
11.	None arising directly from this report.

<b>POLICY IMPLICATIONS</b>	
12.	As set out in the report.

<b>DETAILS OF CONSULTATION</b>	
13.	

# Local Government Association Model Member Code of Conduct

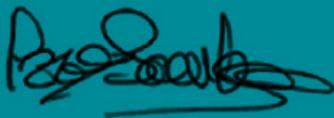
# Introduction

The Local Government Association (LGA) is providing this Model Member Code of Conduct as part of its work on supporting the sector to continue to aspire to high standards of leadership and performance.

The role of councillor in all tiers of local government is a vital part of our country's system of democracy. In voting for a local councillor, the public is imbuing that person and position with their trust. As such, it is important that as councillors we can be held accountable and all adopt the behaviours and responsibilities associated with the role. The conduct of an individual councillor affects the reputation of all councillors. We want the role of councillor to be one that people aspire to and want to participate with. We want to continue to attract individuals from a range of backgrounds and circumstances who understand the responsibility they take on and are motivated to make a positive difference to their local communities.

All councils are required to have a local Member Code of Conduct. This Model Member Code of Conduct has been developed in consultation with the sector and is offered as a template for councils to adopt in whole and/or with local amendments. The LGA will undertake an annual review of the Code to ensure it continues to be fit-for-purpose, particularly with respect to advances in technology, social media and any relevant changes in legislation. The LGA can also offer support, training and mediation to councils and councillors on the application of the Code, whilst the National Association of Local Councils (NALC) and the county associations of local councils can offer advice and support to town and parish councils.

As a councillor we all represent local residents, work to develop better services and deliver local change. The public have high expectations of us and entrust us to represent everyone (in our ward/town/parish), taking decisions fairly, openly, transparently and with civility. Councillors should also be treated with civility by members of the public, other councillors and council employees. Members have both individual and collective responsibility to maintain these standards, support expected behaviour and challenge behaviour which falls below expectations. This Code, therefore, has been designed to protect our democratic role, encourage good conduct and safeguard the public's trust in local government.



**Councillor Izzi Seccombe OBE**  
Leader, LGA Conservative Group



**Councillor Nick Forbes CBE**  
Leader, LGA Labour Group



**Councillor Howard Sykes MBE**  
Leader, LGA Liberal Democrats Group



**Councillor Marianne Overton MBE**  
Leader, LGA independent Group

## Purpose

The purpose of this Code of Conduct is to assist councillors in modelling the behaviour that is expected of them, to provide a personal check and balance, and to set out the type of conduct against which appropriate action may be taken. It is also to protect yourself, the public, fellow councillors, council officers and the reputation of local government. It sets out the conduct expected of all members and a minimum set of obligations relating to conduct. The overarching aim is to create and maintain public confidence in the role of member and local government.

## Application of the Code

The Code of Conduct applies to you when you are acting [or claiming or giving the impression that you are acting]<sup>1</sup> in [public or in]<sup>2</sup> your capacity as a member or representative of your council, although you are expected to uphold high standards of conduct and show leadership at all times. The Code applies to all forms of member communication and interaction, including written, verbal, non-verbal, electronic and via social media, [including where you could be deemed to be representing your council or if there are potential implications for the council's reputation.] Model conduct and expectations is for guidance only, whereas the specific obligations set out instances where action will be taken.

## The seven principles of public life

Everyone in public office at all levels – ministers, civil servants, members, council officers – all who serve the public or deliver public services should uphold the seven principles of public life. This Code has been developed in line with these seven principles of public life, which are set out in appendix A.

## Model member conduct

In accordance with the public trust placed in me, on all occasions I will:

- act with integrity and honesty
- act lawfully
- treat all persons with civility; and
- lead by example and act in a way that secures public confidence in the office of councillor

In undertaking my role, I will:

- impartially exercise my responsibilities in the interests of the local community
- not improperly seek to confer an advantage, or disadvantage, on any person
- avoid conflicts of interest
- exercise reasonable care and diligence; and
- ensure that public resources are used prudently and in the public interest

## Specific obligations of general conduct

This section sets out the minimum requirements of member conduct. Guidance is included to help explain the reasons for the obligations and how they should be followed. These obligations must be observed in all situations where you act [or claim or give the impression that you are acting] as a councillor [or in public], including representing your council on official business and when using social media.

**As a councillor I commit to:**

## Civility

- 1. Treating other councillors and members of the public with civility.**
- 2. Treating council employees, employees and representatives of partner organisations and those volunteering for the councils with civility and respecting the role that they play.**

Civility means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a civil manner. You should not subject individuals, groups of people or organisations to unreasonable or excessive personal attack.

In your contact with the public you should treat them courteously. Rude and offensive behaviour lowers the public's expectations and confidence in its elected representatives.

In return you have a right to expect courtesy from the public. If members of the public are being abusive, threatening or intimidatory you are entitled to close down any conversation in person or online, refer them to the council, any social media provider or if necessary, the police. This also applies to members, where action could then be taken under the Member Code of Conduct.

## Bullying and harassment

- 3. Not bullying or harassing any person.**

Bullying may be characterised as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. The bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and not always be obvious or noticed by others.

The Equality Act 2010 defines harassment as 'unwanted conduct related to a relevant protected characteristic, which has the purpose or effect of violating an individual's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that individual'. The relevant protected characteristics are age, disability, gender reassignment, race, religion or belief, sex, and sexual orientation.

## Impartiality of officers of the council

- 4. Not compromising, or attempting to compromise, the impartiality of anyone who works for, or on behalf of, the council.**

Officers work for the council as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. Although you can question officers in order to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

## Confidentiality and access to information

- 5. Not disclosing information given to me in confidence or disclosing information acquired by me which I believe is of a confidential nature, unless I have received the consent of a person authorised to give it or I am required by law to do so.**
- 6. Not preventing anyone getting information that they are entitled to by law.**

Local authorities must work openly and transparently, and their proceedings and

printed materials are open to the public except in certain circumstances. You should work on this basis but there will be times when it is required by law that discussions, documents and other information relating to or held by the council are treated in a confidential manner. Examples include personal data relating to individuals or information relating to ongoing negotiations.

## Disrepute

### **7. Not bringing my role or council into disrepute.**

Behaviour that is considered dishonest and/or deceitful can bring your council into disrepute. As a member you have been entrusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on other councillors and/or your council.

## Your position

### **8. Not using, or attempting to use, my position improperly to the advantage or disadvantage of myself or anyone else.**

Your position as a member of the council provides you with certain opportunities, responsibilities and privileges. However, you should not take advantage of these opportunities to further private interests.

## Use of council resources and facilities

### **9. Not misusing council resources.**

You may be provided with resources and facilities by the council to assist you in carrying out your duties as a councillor. Examples include office support, stationery and equipment such as phones, and computers and transport. These are given

to you to help you carry out your role as a councillor more effectively and not to benefit you personally.

## Interests

### **10. Registering and declaring my interests.**

You need to register your interests so that the public, council employees and fellow members know which of your interests might give rise to a conflict of interest. The register is a document that can be consulted when (or before) an issue arises, and so allows others to know what interests you have, and whether they might give rise to a possible conflict of interest. The register also protects you. You are responsible for deciding whether or not you should declare an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise.

It is also important that the public know about any interest that might have to be declared by you or other members, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained. Discuss the registering and declaration of interests with your Monitoring Officer/Town or Parish Clerk and more detail is set out in appendix B.

## Gifts and hospitality

### **11. Not accepting significant gifts or hospitality from persons seeking to acquire, develop or do business with the council or from persons who may apply to the council for any permission, licence or other significant advantage.**

### **12. Registering with the monitoring officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.**

You should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you

because you are a member. However, you do not need to register gifts and hospitality which are not related to your role as a member, such as Christmas gifts from your friends and family, or gifts which you do not accept. However, you may wish to notify your monitoring officer of any significant gifts you are offered but refuse which you think may have been offered to influence you.

Note – items in square brackets [x] refer to recommendations made by the Committee on Standards in Public Life and may be part of a future Government consultation. This includes possible future sanctions and appeals processes.

## Breaches of the Code of Conduct

Most councillors conduct themselves appropriately and in accordance with these standards. Members have both individual and collective responsibility to maintain these standards, support expected behaviour and challenge behaviour which falls below expectations.

Section 27 of the Localism Act 2011 requires relevant authorities to promote and maintain high standards of conduct by members and co-opted members of the authority. Each local authority must publish a code of conduct, and it must cover the registration of pecuniary interests, the role of an 'independent person', and sanctions to be imposed on any councillors who breach the Code.

The 2011 Act also requires local authorities to have mechanisms in place to investigate allegations that a member has not complied with the Code of Conduct, and arrangements under which decisions on allegation may be made.

Failure to comply with the requirements to register or declare disclosable pecuniary interests is a criminal offence. Taking part in a meeting or voting, when prevented from doing so by a conflict caused by disclosable pecuniary interests, is also a criminal offence.

Political parties may have its own internal standards and resolution procedures in addition to the Member Code of Conduct that members should be aware of.

# Example

## LGA guidance and recommendations

### Internal resolution procedure

Councils must have in place an internal resolution procedure to address conduct that is in breach of the Member Code of Conduct. The internal resolution process should make it clear how allegations of breaches of the Code of Conduct are to be handled, including the role of an Independent Person, the appeals process and can also include a local standards committee. The internal resolution procedure should be proportionate, allow for members to appeal allegations and decisions, and allow for an escalating scale of intervention. The procedure should be voted on by the council as a whole.

In the case of a non-criminal breach of the Code, the following escalating approach can be undertaken.

If the breach is confirmed and of a serious nature, action can be automatically escalated.

1. an informal discussion with the monitoring officer or appropriate senior officer
2. an informal opportunity to speak with the affected party/ies
3. a written apology
4. mediation
5. peer support
6. requirement to attend relevant training
7. where of a serious nature, a bar on chairing advisory or special committees for up to two months
8. where of a serious nature, a bar on attending committees for up to two months.

Where serious misconduct affects an employee, a member may be barred from contact with that individual; or if it relates to a specific responsibility of the council, barred from participating in decisions or information relating to that responsibility.

## Endnotes

1. CSPL recommend that “Section 27(2) of the Localism Act 2011 should be amended to state that a local authority’s code of conduct applies to a member when they claim to act, or give the impression they are acting, in their capacity as a member or as a representative of the local authority”.
2. CSPL recommend that “councillors should be presumed to be acting in an official capacity in their public conduct, including statements on publicly accessible social media. Section 27(2) of the Localism Act 2011 should be amended to permit local authorities to presume so when deciding upon code of conduct breaches.”
3. Subject to footnotes 1 and 2 above
4. See CSPL website for further details [www.gov.uk/government/news/the-principles-of-public-life-25-years](http://www.gov.uk/government/news/the-principles-of-public-life-25-years)
5. ACAS’s definition of bullying

# Appendices

## Code Appendix A

The principles are :

### **Selflessness**

Holders of public office should act solely in terms of the public interest.

### **Integrity**

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

### **Objectivity**

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

### **Accountability**

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

### **Openness**

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

### **Honesty**

Holders of public office should be truthful.

### **Leadership**

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

## Code Appendix B

### **Registering interests**

1. Within 28 days of this Code of Conduct being adopted by the council or your election or appointment to office (where that is later) you must register with the Monitoring Officer the interests which fall within the categories set out in Table 1 (Disclosable Pecuniary Interests) and Table 2 (Other Registerable Interests).
2. You must ensure that your register of interests is kept up-to-date and within 28 days of becoming aware of any new interest in Table 1 or 2, or of any change to a registered interest, notify the Monitoring Officer.

### **Declaring interests**

3. Where a matter arises at a meeting which directly relates to an interest in Table 1, you must declare the interest, not participate in any discussion or vote on the matter and must not remain in the room unless granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
4. Where a matter arises at a meeting which directly relates to an interest in Table 2, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.

5. Where a matter arises at a meeting which directly relates to your financial interest or well-being (and is not a Disclosable Pecuniary Interest) or a financial interest or well-being of a relative or close associate, you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.
6. Where a matter arises at a meeting which affects –
  - a. your own financial interest or well-being;
  - b. a financial interest or well-being of a friend, relative, close associate; or
  - c. a body covered by table 1 below

you must disclose the interest.

7. Where the matter affects the financial interest or well-being to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest you must declare the interest. You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation. If it is a 'sensitive interest', you do not have to declare the nature of the interest.

**Table 1: Disclosable Pecuniary Interests**

Subject	Description
<b>Employment, office, trade, profession or vocation</b>	Any employment, office, trade, profession or vocation carried on for profit or gain.  [Any unpaid directorship.]
<b>Sponsorship</b>	Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses.  This includes any payment or financial benefit from a trade union within the meaning of the <b>Trade Union and Labour Relations (Consolidation) Act 1992</b> .
<b>Contracts</b>	Any contract made between the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (or a firm in which such person is a partner, or an incorporated body of which such person is a director* or a body that such person has a beneficial interest in the securities of*) and the council —  (a) under which goods or services are to be provided or works are to be executed; and  (b) which has not been fully discharged.
<b>Land and Property</b>	Any beneficial interest in land which is within the area of the council.  ‘Land’ excludes an easement, servitude, interest or right in or over land which does not give the councillor or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners (alone or jointly with another) a right to occupy or to receive income.
<b>Licences</b>	Any licence (alone or jointly with others) to occupy land in the area of the council for a month or longer.
<b>Corporate tenancies</b>	Any tenancy where (to the councillor’s knowledge)—  (a) the landlord is the council; and  (b) the tenant is a body that the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners is a partner of or a director* of or has a beneficial interest in the securities* of.
<b>Securities</b>	Any beneficial interest in securities* of a body where—  (a) that body (to the councillor’s knowledge) has a place of business or land in the area of the council; and  (b) either—  (i) the total nominal value of the securities* exceeds £25,000 or one hundredth of the total issued share capital of that body; or  (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the councillor, or his/her spouse or civil partner or the person with whom the councillor is living as if they were spouses/civil partners has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

\*'director' includes a member of the committee of management of an industrial and provident society.

\*'securities' means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

**Table 2: Other Registerable Interests**

<b>Any Body of which you are a member or in a position of general control or management and to which you are appointed or nominated by the council;</b>	
Any Body—	(a) exercising functions of a public nature;
	(b) directed to charitable purposes; or
	(c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)
of which you are a member or in a position of general control or management.	





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We consider requests on an individual basis.

**Internal Audit Opinion 2019-20**

**REPORT TO AUDIT AND STANDARDS COMMITTEE**



<b>DATE</b>	<b>22/07/2020</b>
<b>PORTFOLIO</b>	<b>Resources &amp; Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Asad Mushtaq</b>
<b>TEL NO</b>	<b>01282 425011 Ext 7173</b>
<b>EMAIL</b>	<b>amushtaq@burnley.gov.uk</b>

**PURPOSE**

1. To provide members with the Head of Finance and Property as Chief Audit Executive (CAE) opinion on the Internal Controls of the Council for financial year 2019-20.

**RECOMMENDATION**

2. That the Committee considers the opinion.

**REASONS FOR RECOMMENDATION**

3. To comply with the terms of reference for the Audit and Standards Committee through review of the scope and results of work completed by Internal Audit, and, to support and maintain the independence and objectivity of the Internal Audit function.
4. To meet the requirements set out in the Public Service Internal Audit Standards and CIPFA's Local Government Application Note. The Annual Audit Opinion supports and complements the Annual Governance Statement which is required under the Accounts and Audit Regulations 2015.

**SUMMARY OF KEY POINTS**

**5. Limitation of Opinion**

This opinion on the Internal Controls of the council is based on the work undertaken by Internal Audit both during 2019/20 and that relates to that year. It provides reasonable but not complete assurance concerning the Council's internal control system. This also takes account of actions that have been agreed with Managers to address weaknesses identified.

**6. Overall Opinion**

The controls of the Council continue to operate effectively. These include compliance with policy, separation of duties, authorisation, monitoring and internal checks. Where

during audits control weaknesses have been identified, these have been addressed as part of an agreed Action Plan. Compliance with Action Plans is monitored and where these have not been implemented, further assurances have been provided by management that these issues will be addressed.

In providing this opinion I have had regard for the Accounts and Audit Regulations 2015 and Public Service Internal Audit Standards and CIPFA's Local Government Application Note. The results of the review of internal audits effectiveness and its quality assurance and improvement programme conclude that this work was delivered in compliance with the Public Service Internal Audit Standards and CIPFA's Local Government Application Note.

## **7. Work Completed**

Internal Audit has provided to the Audit and Standards Committee summaries of the work completed during 2019/20 and these should be considered in relation to this section. Appendix 1 contains summaries of the work, opinions and key actions agreed. Additional detail on progress against the Audit Plan is provided in Appendix 2.

The Internal Audit has also provided audits and support under a service level agreement for Burnley Leisure.

## **8. Performance**

The 2019/20 Internal Audit Plan target for audit reports was 22 and the actual delivered was 26.

Internal Audit have reported the performance of the Service in comparison with its targets to the Audit and Standards Committee and Management during the year, the year end 2019/20 actual performance to targets of implementation of high priority agreed actions is at 100%.

During the year, a quality assurance and improvement programme has been maintained. This involves an internal review of the audit work, and management questionnaires. The results of the internal review of work are provided to auditors as are the actions undertaken during the audit process to correct issues. The results of the management questionnaire are discussed with auditors and any actions required are agreed.

## **9. Investigations**

No specific Council investigations were referred to internal audit during the year. Burnley Leisure was supported in an investigation.

## **10. Other work**

I am in the combined role of Chief Audit Executive (CAE) and Section 151 officer. I have arrangements which will ensure that the roles do not impact on the continued independence of the Internal Audit service. During the financial year I am not aware of any actual or perceived conflict of interest in these roles.

The Internal Audit Manager is the Council's Data Protection Officer and has been involved with the Council's arrangements for improving and maintaining Data Protection

for the authority.

Work on corporate business continuity continued during the year and risk management has been supported.

Support has been provided during the year to other services in Finance and arrangements are in place to ensure that this does not impact on the independence of the internal audit service.

There was an impact of the Coronavirus pandemic on the Internal Audit work during the final quarter of the year, and on the completion of work. Internal Audit are not a priority service and as such support was supplied to the Council's Business Continuity arrangements and preparing the organisation for the event. This has had a greater impact on the first quarter of 2020/21.

#### **11. Compliance with the Public Service Internal Audit Standard and Local Government Application Note (PSIAS and LGAN)**

During 2019-20 an evaluation of Internal Audit effectiveness took place. This included a quality assurance and improvement programme (QAIP), obtaining client feedback and audit review, there were no issues to report.

#### **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

12. None

#### **POLICY IMPLICATIONS**

13. The Annual Internal Audit Opinion is considered as part of the Annual Governance Statement, which is part of the Local Code of Corporate Governance

#### **DETAILS OF CONSULTATION**

14. None

#### **BACKGROUND PAPERS**

15. None

#### **FURTHER INFORMATION**

**PLEASE CONTACT:**

**Asad Mushtaq Ext 7173**

**ALSO:**

**Ian Evenett Ext 7175**

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### Appendix 1 - Summary of Audit reports Issued - 2019/20

Audit	Service	Audit Purpose	Audit Opinion	Key Actions Agreed	Implementation Detail	Score
Statement of Accounts Review	Finance and Property	To review the Statement of Accounts for errors and accuracy	No issues to report.	None	None	1
Annual Governance Statement	Corporate	To provide assurance on the Council's governance system.	No significant issues identified.	None	None	N/A (Satisfactory)
Benefits Quality Review	Finance and Property	To verify the accuracy of benefit assessment quality control.	No issues to report.	None	None	N/A (Satisfactory)
Budget Monitoring	Finance and Property	To audit the budget monitoring process and ensure compliance with Financial Procedure Rules.	No issues to report.	None	None	1
Performance Indicators – Benefits	Finance and Property	To review and assess the quality of the Benefits PI reported for 2018/19.	No significant issues. Minor discrepancies identified which did not have a material impact on the outcomes reported.	Liberata should consider for the year end performance figures to be sample verified by another officer prior to submission.	The Revenues & Benefits Delivery Manager agreed to carry out a year end check going forward.	2
Performance Indicators – Facilities Management	Finance and Property	To review and assess the quality of the Facilities Management PI reported for 2018/19.	The quality and accuracy of data needs to be improved for some PIs to ensure correct data is being reported.	The Property Services Manager will carry out accuracy checks on a monthly basis. Discussion will take place with Liberata to obtain clarification for some of the PIs.	Sampling will be carried out on a monthly basis with supporting evidence retained.  A meeting will be arranged to obtain clarification for the above PIs.	3
Elections (April By-Election)	Legal and Democratic Services	To audit the staffing payments for the elections in April 2019.	No issues to report.	None	None	1
Elections (May)	Legal and Democratic Services	To audit the staffing payments for the elections in May 2019.	No issues to report.	None	None	1
Elections (June European)	Legal and Democratic Services	To audit the staffing payments for the elections in June 2019.	No issues to report.	None	None	1

### Appendix 1 - Summary of Audit reports Issued - 2019/20

Audit	Service	Audit Purpose	Audit Opinion	Key Actions Agreed	Implementation Detail	Score
Bank Reconciliation	Finance & Property	To ensure that the Council's main bank account is reconciled in a timely manner.	Generally, administration of the reconciliation process is good and there is a sound system of internal control especially in relation to separation of duties. However, improvements need to be made to ensure cover is available in the absence of the responsible officer and certification of work is being carried out.	Access and training to the new bank reconciliation system will be granted to the cover officers. Certification will be carried out.	December 2019	2
Selective Landlord Licensing	Housing & Development Control	To review and evaluate the operational, financial and management controls within Selective Licensing and comment on their effectiveness.	Operational, financial and management controls are effective. Administration processes are robust and clearly defined.	Consideration of adding a referral function on their website area to enable residents to refer unlicensed properties online will take place.	March 2020	1
Crematorium	Green Spaces & Amenities	To review and evaluate financial and management controls and comment on their effectiveness in regard to the crematorium.	There is a good audit trail in regard to retaining application forms and their supporting documentation. However, operational controls need to be introduced to ensure approved fees are appropriately applied.	Ensure all fees are implemented on time. The webpage will be checked to ensure that the information on the website is current and correct.	December 2019	2
PI – Sundry Debt Collection	Finance & Property Services	To review and assess the quality of the Corporate Debt performance indicator outcomes reported for 2018/19.	The Corporate Debt performance indicators are generally accurately reported for the year end 2018/19 and there are no significant impacts on the contractor performance targets. There are minor errors in the format of the reported data and in the application of the indicators definition.	The year end procedures will be updated to reflect the main issues identified.	July 2019	2

### Appendix 1 - Summary of Audit reports Issued - 2019/20

Audit	Service	Audit Purpose	Audit Opinion	Key Actions Agreed	Implementation Detail	Score
Treasury Management	Finance & Property Services	The purpose of this audit is to review the effectiveness of controls over treasury management.	There are effective controls in regard to the treasury management function. There are established mechanisms in place to record, monitor and make informed treasury decisions.	None	None	1
Write Offs Quarter 1	Finance & Property	To review the write-offs of debts from Debtors and Revenues System	No significant issues identified	None	None	N/A (Satisfactory)
PI – Council Tax/ NNDR	Finance & Property	To review and assess the quality of the Council Tax and National Non-Domestic Rates Performance Indicators for 2018/19.	The Council Tax and NNDR Performance Indicators have been accurately reported for the year end 2018/19.	None	None	1
Charity Account - Edward Stocks Massey	Corporate	To inform the Independent Examiners Report to the requirements of the Charities Commission.	N/A	None	None	N/A (Satisfactory)
Charity Account - Acorn Fund	Corporate	To inform the Independent Examiners Report to the requirements of the Charities Commission.	N/A	None	None	N/A (Satisfactory)
Charity Account – Mayor's Charity	Corporate	To inform the Independent Examiners Report to the requirements of the Charities Commission.	N/A	To ensure there 3 trustees before taking decisions.	Completed	N/A (Satisfactory)
Charity Account - JW Shaw	Corporate	To inform the Independent Examiners Report to the requirements of the Charities Commission.	N/A	None	None	N/A (Satisfactory)

## Appendix 1 - Summary of Audit reports Issued - 2019/20

Audit	Service	Audit Purpose	Audit Opinion	Key Actions Agreed	Implementation Detail	Score
Desktop Software	Policy & Engagement	To review the controls in place to ensure desktop software is legally compliant, effectively managed and supported to deliver value for money.	A clear policy is in place for the administration of desktop software. Adequate procedures are in place to manage desktop software.	To define clear lines of responsibility for the administration of the Microsoft OL Agreement and to ensure it remains fit for purpose. [MEDIUM]  The Learning & Development Team should resolve the issue with IT training guides on ELVIS, making them available to all Council employees to access. [LOW]	Ongoing  December 2019	2
Income Management	Finance & Property	To ensure that there are effective controls in place around income management arrangements.	The Council's income management arrangements are diverse. For most activities examined, good controls are in place with supporting paperwork and income reconciliation. However, for some areas, there are weaknesses due to the number of people involved in the process.	Cheques should be held in a secure location. Cheques should be passed to the Contact Centre as soon as possible.  It should be made clear as to who is responsible for ensuring the Council is compliant with Payment Card Industry Data Security Standards (PCI DSS).	December 2019  Completed	2
Service Level Agreements Healthcheck	Finance & Property	To assess the current service provision for Burnley Leisure.	N/A	None	None	N/A
Charging Orders Process Review	Corporate	To review the process of raising a charging order for Council Tax debts.	N/A	None	None	N/A
Fraud Risk Assessment	Corporate	To inform Members of the current fraud trends that affects the public sector.	No significant issues identified.	None	None	N/A

**Appendix 1 - Summary of Audit reports Issued - 2019/20**

Audit	Service	Audit Purpose	Audit Opinion	Key Actions Agreed	Implementation Detail	Score
Parliamentary Elections	Legal and Democratic Services	To audit the staffing payments for the elections in December 2019.	The Working papers are an accurate plan of staff payments for the election.	Due to the short notice and following the past parliamentary working papers led to the Poll Clerk fee not being adjusted to meet the Minimum Wage for those Poll Clerks who do not work for the Council. This should be corrected in the future elections.	None	1

**Audit Score Defined**

Score	Opinion	Definition of Opinion
1	Comprehensive Assurance	There is a sound system of controls designed to meet objectives and controls are consistently applied in all the areas reviewed.
2	Reasonable Assurance	There is a good system of controls. However, there are minor weaknesses in the design or consistency of application that may put the achievement of some objectives at risk in the areas reviewed.
3	Limited Assurance	Key controls exist to help achieve system objectives and manage principle risks. However, weaknesses in design or inconsistent application of controls are such that put the achievement of system objectives at risk in the areas reviewed.
4	No Assurance	The absence of basic key controls or the inconsistent application of key controls is so severe that the audit area is open to abuse or error.
N/A	Not Applicable	The audit review undertaken did not have as its primary objective an assessment of system, its controls and their effectiveness.

Audit	Started	Report Issued	Audit Score
<b>Corporate</b>			
Annual Governance Statement	✓	✓	N/A (Satisfactory)
NFI	✓		Included in Fraud Risk Review Report
Charities			
J W Shaw	✓	✓	N/A (Satisfactory)
Mayor's Charity	✓	✓	N/A (Satisfactory)
Acorn Fund	✓	✓	N/A (Satisfactory)
E Stocks Massey	✓	✓	N/A (Satisfactory)
Debts Write-Off	✓	✓	N/A (Satisfactory)
Fraud Risk Review	✓	✓	N/A (Satisfactory)
Governance of Partnerships	✓		
Strategic Partner Performance Indicators			
Benefits	✓	✓	2
Council Tax NNDR	✓	✓	1
Debt Recovery	✓	✓	2
Facilities Management	✓	✓	3
Safeguarding			
<b>Finance &amp; Property</b>			
Benefits Calculation Check	✓	✓	N/A (Satisfactory)
Final Accounts	✓	✓	N/A (Satisfactory)
Payment of Benefits			
Treasury Management	✓	✓	1
Budget Monitoring	✓	✓	1
Income Management	✓	✓	2
Council Tax			
Payroll			
Overpayment of Benefits			
Debt Recovery			
Bank Reconciliation	✓	✓	2
<b>Information Governance</b>			
Achieve - CRM	✓		
Desktop Software	✓	✓	2
Information Governance / FOI			
<b>Housing &amp; Development Control</b>			
Selective Landlord Licensing	✓	✓	1
<b>Legal &amp; Democratic Services</b>			
Elections – By-Election	✓	✓	1
Elections – Local	✓	✓	1
Elections – Euro	✓	✓	1
Elections - Parliamentary	✓	✓	N/A (Satisfactory)

Audit	Started	Report Issued	Audit Score
<b>Green Spaces &amp; Amenities</b>			
Crematorium	✓	✓	2
Vehicles and Plant			
<b>Economy &amp; Growth</b>			
Vision Park Project	✓		
<b>Streetscene</b>			
Urbaser – Waste Contract			
<b>Additional Work</b>			
Service Level Agreements Healthcheck	✓	✓	N/A
Charging Orders Process Review	✓	✓	N/A
<b>External Clients</b>			
Burnley Leisure – Service Level Agreement	✓		

## Annual Governance Statement 2019/20

### REPORT TO AUDIT AND STANDARDS COMMITTEE



<b>DATE</b>	<b>22/07/2020</b>
<b>PORTFOLIO</b>	<b>Resources and Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Salma Hussain</b>
<b>TEL NO</b>	<b>01282 425011 Ext 3152</b>
<b>EMAIL</b>	<b>salmahussain@burnley.gov.uk</b>

#### PURPOSE

1. To present the Annual Governance Statement to the Audit and Standards Committee for approval.

#### RECOMMENDATION

2. That the Committee approve the Annual Governance Statement 2019/20 (Appendix A).

#### REASONS FOR RECOMMENDATION

3. The Accounts and Audit Regulations 2015 states that the Annual Governance Statement must be approved by a committee. This responsibility is undertaken by the Audit and Standards Committee under their terms of reference, as those charged with governance.

#### SUMMARY OF KEY POINTS

4. The production of an Annual Governance Statement is a statutory requirement of the Council. In January 2020 the Audit & Standards Committee was informed that the Annual Governance Statement would be produced in accordance with proper practice using guidance from CIPFA (Chartered Institute of Public Finance and Accountancy) and SOLACE (Society of Local Authority Chief Executives).
5. All Heads of Service and key officers have provided signed Assurance Statements to the Chief Operating Officer and the Chief Executive in accordance with the organisational management structure. These have been supported by a control and risk self-assessment questionnaire. The Chief Operating Officer has considered his statements and also signed an Assurance Statement to the Chief Executive.
6. All Executive Members and Chair of Scrutiny were asked to complete a self-assessment questionnaire and provide a signed Assurance Statement to the Leader of the Council.

7. The strategic partner, Liberata is also required to submit a Certificate of Assurance covering the services they provide on behalf of Burnley Borough Council. This has been received and no issues have been reported.
8. This process allows the identification of the key elements of governance and internal control for incorporation into the Annual Governance Statement and is designed to assist the identification of significant control and governance issues. Minor weaknesses in governance have been identified and actions to address these issues have been put in place.
9. Management Team have reviewed the Annual Governance Statement. The Statement was then signed by both the Council Leader and the Chief Executive as the final assurance to the public. These signatures will be updated once again as it is presented alongside the externally audited Statement of Accounts 2019/20.

#### **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

10. None

#### **POLICY IMPLICATIONS**

11. None

#### **DETAILS OF CONSULTATION**

12. None

#### **BACKGROUND PAPERS**

13. None

#### **FURTHER INFORMATION**

**PLEASE CONTACT:**

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**Annual  
Governance  
Statement  
2019/20**

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## INTRODUCTION

## 1. SCOPE AND RESPONSIBILITY

- 1.1 Burnley Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Burnley Borough Council has also a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Burnley Borough Council is responsible for putting in place proper arrangements for the governance of its affairs; facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 Burnley Borough Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA<sup>1</sup>/SOLACE<sup>2</sup> Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website at:

<https://burnley.moderngov.co.uk/documents/s18640/Part%205.8%20Local%20Code%20for%20Corporate%20Governance%202019%20LP251119.pdf>

Or can be obtained from:

Legal & Democratic Services  
Burnley Borough Council  
Town Hall  
Manchester Road  
Burnley  
BB11 9SA.

- 1.4 This statement explains how Burnley Borough Council has complied with the Code and also meets the requirements of regulation 6(1)[a] of the Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement.

## 2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The Governance Framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with, and leads its communities. It enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

<sup>1</sup> Chartered Institute of Public Finance and Accountancy

<sup>2</sup> Society of Local Authority Chief Executives

- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Burnley Borough Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.
- 2.3 The Governance Framework has been in place at Burnley Borough Council for the year ended 31<sup>st</sup> March 2020 and up to the date of approval of the Annual Statement of Accounts.

### 3. THE GOVERNANCE FRAMEWORK

- 3.1 The key elements of the Council's governance arrangements are outlined in the Local Code of Corporate Governance. Some of these features of the Governance Framework are explained in the following paragraphs.
- 3.2 The **Strategic Plan** sets out the contribution we will make to enabling communities in Burnley to thrive now and in the future. The Strategic Plan is linked to the revenue and capital budget, ensuring that the aspirations in the plan are realistic in the context of the funding constraints placed on the Council. The Strategic Plan is reviewed annually. The review takes account of **feedback** from surveys conducted with the public in Burnley.
- 3.3 Delivery of the Strategic Plan is supported by **Service Plans** and individual's **Performance Development Reviews**. These include competencies, targets and, where appropriate, service standards against which service quality and improvement can be measured. Officers attend staff conferences and participate in job chats amongst other means to keep informed of organisational and service development.
- 3.4 Burnley Borough Council's **Constitution** sets out how the Council operates, how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people. It establishes the roles and responsibilities for members of the Executive, Regulatory and Standards Committees, together with officer functions. It includes the Scheme of Delegation, codes of conduct and protocols for member/ officer relations. The Constitution is regularly reviewed to ensure that it continues to be fit for purpose.
- 3.5 The Constitution also contains **procedure rules** including, Standing Orders and Financial Procedure Rules that define how decisions are taken and where authority rests for decision making. The **statutory roles** of Head of Paid Service, Chief Finance Officer and Monitoring Officer are described together with their contributions to provide robust assurance on governance and that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by the Head of Paid Service (the Chief Executive) and the Chief Finance Officer (Head of Finance and Property) is backed by the post-holders' membership of the Management Team.

- 3.6 The **Chief Financial Officer** (CFO) has responsibility for the proper administration of the Council's financial affairs. This includes responsibility for maintaining and reviewing Financial Procedure Rules to ensure they remain fit for purpose and submitting amendments to Full Council for approval. The Chief Financial Officer is also responsible for reporting, where appropriate, breaches of the Rules to the Executive and/or the Council. The Chief Financial Officer reports directly to the Chief Operating Officer.
- 3.7 The role of the CFO has been defined by CIPFA in its document titled, 'The role of the chief financial officer, in Local Government'. The Council's financial management arrangements conform to these governance requirements and this is explained in the constitution.
- 3.8 The Head of Finance and Property fulfils the role of **Head of Internal Audit**. This includes championing best practice and assessing adequacy in governance, management, and risk, providing an opinion on these aspects, and leading an effective Internal Audit service.
- 3.9 The **Full Council** and the **Executive** are the decision-making bodies of the Council. **Regulatory Committees** including Development Control and Licensing Committees undertake decisions delegated to it under the Constitution. The Council's **Scrutiny Committee** works to improve service delivery and to review the Executive decisions. The **Audit and Standards Committee** oversees the review of the Council's audit and governance arrangements and the production of this statement.
- 3.10 In recognition of the exposure to fraud, the Council has adopted an **Anti-Fraud Bribery and Corruption Policy** which is part of the Constitution. This is relevant to all members, officers and its partners. Fraud risks are considered as part of strategic and service risk management. Fraud awareness training is made available to further raise awareness of the matter.
- 3.11 To complement the anti-fraud policy, Council has a **complaints procedure** and a **whistle-blowing policy** that is maintained and regularly reviewed, which provide the opportunity for members of the public and staff to raise concerns when they believe that appropriate standards have not been met. The **Audit and Standards Committee** is responsible for overseeing the investigation of complaints against members and promotion and maintenance of high standards of conduct in the authority.
- 3.12 The Council has an embedded **risk management** function. The Risk Management Policy and Strategy are reviewed regularly. The Risk Management Group draws together risk issues from across the authority to ensure that issues and concerns are shared and that a consistent approach is adopted throughout the organisation.
- 3.13 **General Data Protection Regulation** (GDPR) came into force in May 2018. It is recognised that the regulation does present a significant risk to the Council, however controls and measures are in place. While significant, the risk is considered acceptable at this time.
- 3.14 **Training** needs of members and officers are identified through appraisal and review processes. Appropriate training is made available to staff to ensure that individuals are

able to undertake their present role effectively and that they have the opportunity to develop to meet their and the Council's needs. All newly elected members undertake an induction programme so that they can make an effective contribution to the work of the authority. Specific committee training is given to members so that they may discharge their responsibilities more effectively along with general member development training such as on finance and conduct. The Council retained the Investors in People (IIP) Gold Standard and continues to undertake reviews to maintain this excellence.

- 3.15 The Council is committed to **partnership** working. The Strategic Partnerships with Urbaser, Liberata and Burnley Leisure will ensure that vital services will continue to be delivered in these financially challenging times. The **Burnley Bondholders** work to promote Burnley in the region and wider area.
- 3.16 In February 2020, the Council activated its business continuity plans and adopted approaches to maintain critical business activities. It was quickly fully engaged with Lancashire Resilience Forum and following the national guidelines for local authorities. Amongst the changes were provision of emergency accommodation for the Homeless, making arrangements for a community Hub (including volunteers and partner organisations and food banks), preparing for increased demand on bereavement services and the funding for the local economy through the Business Support Grants scheme. The organisation managed a rapid transition to home working for the majority of staff which was built upon its flexible information technology and redeployment for those who could not carry out normal duties (including work with the Community Hub).
- 3.17 The main areas of the Council's Governance Framework, and key evidence of delivery, are set out next, under the headings of the seven **CIPFA/SOLACE Core Principles of Good Governance**.

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#### BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES AND RESPECTING THE RULE OF THE LAW.

- Codes of Conduct exist for both officers and members
- Statutory Officers are in post:
  - the Chief Executive as Head of Paid Service,
  - Chief Operating Officer as the Monitoring Officer
  - the Head of Finance and Property as the Section 151 Officer.
- The Constitution and Scheme of Delegation define the roles and responsibilities of officers and members, and sets out the rules on how the Council conducts its business
- TEAM values are in place.

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#### ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT.

- Council meetings are conducted in public; decisions have been properly recorded and are in the public domain.
- The Council complies with the Local Government Transparency Code. Information is held on the Council's website.
- Public consultations have been carried out:
  - Townscape Heritage Padiham
  - Selective Licensing Consultations

- Business Improvement District
- Partnership boards for the strategic partners:
  - Liberata
  - Urbaser

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#### DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL AND ENVIRONMENTAL BENEFITS.

- The Strategic Plan is in place and is underpinned by Service Plans.
- Balanced Scorecards are used to monitor the achievement of stated outcomes.
- The Council makes best use of resources by always considering options for the way services are delivered.

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#### DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF INTENDED OUTCOMES.

- Balanced Scorecards exist to monitor progress on intended outcomes.
- Decision makers receive analysis of options to achieve intended outcomes. This includes risk analysis associated with making key decisions.
- The Council is continually reviewing how services are provided.

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#### DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT.

- Member training programmes are in place. Training during 2019/20 included several finance related training events.
- Officer training is identified during Performance Development Reviews which is linked to the Service Plan.
- New officers receive corporate and service unit induction. Training is also provided to new members.
- Arrangements are in place to maintain the health and wellbeing of the workforce.
- There are regular meetings between the Chief Executive and the Leader of the Council. Similar meetings take place between Heads of Service and Executive Members.

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#### MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG FINANCIAL MANAGEMENT.

- There is a risk management framework in place that identifies and reports risk and how it is managed.
- The system on Internal Control is reviewed on an on-going basis by Internal Audit.
- The Head of Finance and Property Services is responsible for the financial management of the council and is the Section 151 Officer.
- Robust budget monitoring arrangements for both capital and revenue with budget reporting to management team and members.
- The council has an appropriate anti-fraud and corruption culture.

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#### IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY.

- Information on the decision-making process is readily available to all stakeholders.
- As per the Local Government Transparency Code, information is held on the Council's website.
- Internal Audit will review the internal control framework on an on-going basis, particularly the key financial systems.
- Internal Audit will provide an objective opinion on the internal control framework that was in place for 2019/20.
- External Audit (Grant Thornton) will review the arrangements that the Council has in place to secure value for money. This will also provide an opinion on the accuracy and completeness of the Statement of Accounts.

## THE EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

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### 4. REVIEW OF EFFECTIVENESS

- 4.1 Burnley Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its Governance Framework, including the system of internal control. The review of effectiveness is informed by the work of the Management Team, who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report and also by the findings and reports issued by the external auditors.
- 4.2 Burnley Borough Council's Internal Audit section, via specific responsibility assigned to the Head of Internal Audit, is required to provide an annual independent and objective opinion to the Authority on its risk management, governance and control environment. The Head of Internal Audit's report for 2019/20 concluded that the Council's internal controls continue to operate effectively.
- 4.3 The review of compliance with the Governance Framework has involved:
- Heads of Service and key officers (Chief Finance Officer, Monitoring Officer and Health & Safety Officer) providing signed Assurance Statements to Management Team. These have been supported by a control and risk self-assessment questionnaire and were collated by Internal Auditors. Management Team considered these statements and also signed Assurance Statement from the Chief Operating Officer.
  - Liberata providing a signed Assurance Statement to the Chief Operating Officer.
  - Executive Members and Chair of Scrutiny completing a self-assessment questionnaire and providing a signed Assurance Statement to the Leader of the Council and Chief Executive.
  - Internal Audit completing a review of the corporate documents and evidence for the key elements of Governance and Internal Control. The Internal Audit Opinion (draft) is included as part of the consideration, as are external audit reports etc.
  - A draft of the Annual Governance Statement is prepared and provided to Management Team.
  - An Annual Governance Statement is then provided to the Chief Executive and Leader to sign.
- 4.4 Governance arrangements continue to be regarded as fit for purpose in accordance with the Governance Framework. The review process has highlighted no significant issues.

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### 5. FUTURE CHALLENGES

- 5.1 Burnley Council has recognised current and future financial challenges in its strategic risk register and medium-term financial strategy. The authority will continue to meet these

challenges as it has done in the past; taking steps to manage this by considering modernisation and rationalisation.

- 5.2 Burnley Council will continue to deal with and respond to the issues arising from coronavirus pandemic. This includes involvement with the economic recovery in the local community and dealing with the financial impact of the pandemic.

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**6. ACTION TAKEN TO ADDRESS PREVIOUS ISSUES**

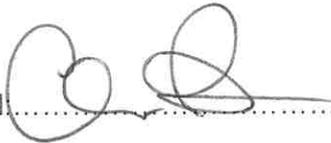
- 6.1 No significant issues had been identified on the previous (2018/19) governance statement.

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**7. CERTIFICATION**

- 7.1 The Council has governance procedures that contain comprehensive systems, cultures and values by which it is controlled, and through which it engages with the community in a timely, inclusive, open, honest and accountable manner.

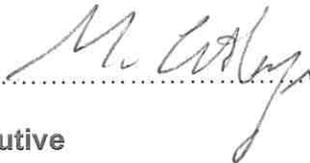
Signed: .....



Leader of the Council

Date: 09/07/20

Signed: .....



Chief Executive

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ITEM NO	[AgendaItem]
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## Strategic Risk Register

### REPORT TO AUDIT AND STANDARDS COMMITTEE



<b>DATE</b>	<b>22/07/2020</b>
<b>PORTFOLIO</b>	<b>Resources and Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Ian Evenett</b>
<b>TEL NO</b>	<b>01282 425011 Ext 7175</b>
<b>EMAIL</b>	<b>ievenett@burnley.gov.uk</b>

#### PURPOSE

1. To update members on the Strategic Risk Register.

#### RECOMMENDATION

2. The Committee considers the Strategic Risk Register and comments on its contents.
3. The Committee recommends this Strategic Risk Register to the Executive.

#### REASONS FOR RECOMMENDATION

4. Members can monitor the Strategic Risk Register arrangements.

#### SUMMARY OF KEY POINTS

**Strategic Risk Register**

5. The current Strategic Risk Register (Appendix 1) was reviewed in March and at the meeting it was requested that a risk for the Pandemic was included.
6. The Council is at a point where it can reassess the risks considering the on-going impact of the pandemic, which has changed some of the risks. The changes have been highlighted in the register.

**Triggers and Causes**

7. The triggers and causes for the risks have remained the same but those that have been strongly impacted by the pandemic have been marked C19.
8. A new trigger has been included in connection with the impact of a localised increase in infection or the potential for a second peak in the infection rate which may result in a lockdown.

**Pandemic Risk – Failure to respond to a widespread illness**

9. This was the risk that was incorporated into the risk register in March 2020. This has been assessed as medium priority risk, with a high impact and medium likelihood. Members will

have received reports from management on the impact of the pandemic and how the Council has responded. It is important to realise that although actions needed for the peak of the pandemic are being relaxed, the risk of the pandemic is still present, and this reminds the Council must still be ready in case of an increase in infection.

10. As stated, there are potential risks of increased infection rates which may result in return to lockdown either locally or nationally.
11. The work of the Community Hub is included in as a response to this risk. The Hub has been successfully working with partners and the community.

### **Changes in Risk Scores**

12. Risk Ref 1 – Financial stability has increased likelihood from 2 to 3 and the risk score from 6 to 9 (High Priority Risk). There are predictions of significantly impact on the Councils Income and in the general economy. This has increased the likelihood.
13. Risk Ref 6 – Inability to deliver the regeneration programme has increased both the impact and likelihood from 2 to 3 and the risk score from 4 to 9 (High Priority Risk). Again, the economic downturn trigger will make this more difficult to achieve.
14. Risk Ref 9 – Risks in responding to demographic changes and increased deprivation has increased likelihood from 1 to 3 and the risk score from 3 to 9 (High Priority Risk). The pandemic impacts have been quick to highlight and deepen the deprivation in the Borough. Increased need for food, housing, benefits have resulted in an change in this risk.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

15. None

## **POLICY IMPLICATIONS**

16. None

## **DETAILS OF CONSULTATION**

17. None

## **BACKGROUND PAPERS**

18. None

## **FURTHER INFORMATION**

**PLEASE CONTACT:**

**Ian Evenett (Internal Audit Manager) Ext  
7175**

**ALSO:**



## **Burnley Borough Council**

### **Strategic Risk Register**

10 July 2020

## Strategic Risk Register Summary

ID	Risk Description	Risk Score
1	Financial stability	9
6	Inability to deliver the regeneration programme	9
9	Risks in responding to demographic changes and increased deprivation	9
5	Changes in national policy/legislation	6
8	Inability to influence key decision makers	6
10	Workforce, skills and capacity challenges	6
14	Failure to respond to a widespread illness	6
2	Maintaining Partnership Performance	4
3	Damage to the Council's reputation	4
4	Changes in the political landscape	3
7	Inability to drive improvements through information technology	3
11	Malicious Attack	3
12	Safeguarding Failure	3
13	Environmental Event	3

# Risk Prioritization Matrix

Likelihood	3	4	5, 10	1, 6, 9	Red High
	2		2, 3,	8, 14	Amber Medium
	1			7, 11, 12, 13	Green Low
		1	2	3	
		Impact			

Likelihood	Impact
1 Very Unlikely	1 Low
2 Likely	2 Medium
3 Virtually Certain	3 High

Risk Ref: 1 Financial stability

Trigger or Cause

Further funding cuts  
 Income loss (C19)  
 Insufficient financial controls  
 Expensive decision making  
 External cost pressures  
 Price or Interest Rate Increases  
 Political growth  
 Failing to understand the financial problem  
 National Economic Changes (C19)  
 Claims against the Council

Possible Consequences of Risk

Organisational sustainability  
 Reduced service delivery  
 Reduced customer satisfaction  
 Reduced reserves  
 Overspends  
 Damaged credit rating  
 Damage to reputation  
 Workforce morale/planning/retention  
 Reduced reputation for financial management

Strategic Link: Cross Cutting

Residual Risk  
 Assesment

Impact

**3**

Likelihood

**3**

Score

**9**

High Priority Risk

Strategic Commitments

- PF1 - We will continue the successful partnership with Liberata.
- PF2 - We will adopt a Medium Term Financial Strategy that will put the Council on a sustainable footing. This strategy will set the framework for annual budgets, ensuring the annual budget is set within the context of the longer term outlook.
- PF3 - We will develop our digital strategy, so that more residents transact with us online and we will continue to deliver services more efficiently.
- PL1 - We will implement a range of initiatives to maintain a clean, safe, attractive and environmentally friendly borough. This will include a focus on reducing dog fouling.
- PL4 - We will implement our 2015-25 Green Space Strategy.
- PR1 - We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment
- PR2 - We will proactively support the borough’s businesses to innovate and expand, and make the borough a natural choice for business relocation
- PR3 - We will deliver the Town Centre and Canalside Masterplan, and strategic projects in Padiham Town Centre.
- PF4 - We will deliver our Organisational Development strategy, ensuring we plan for the structures and capabilities the organisation needs, and empowering our workforce to deliver the objectives of the Strategic Plan.

Lead Responsibility : Head of Finance & Property

Risk Ref: 2 Maintaining Partnership Performance

Trigger or Cause

Procurement method  
 Supply chain failure  
 Commissioning 'v' traditional culture  
 Political Change  
 Poor implementation  
 Compliance/legal  
 Business continuity  
 Transformational cultural change not achieved  
 Poor or weak contract management  
 Partner failure or withdrawal

Possible Consequences of Risk

Reduced service delivery  
 Reduced customer satisfaction  
 Political or reputation embarrassment  
 Perceived council failure  
 Poor co-ordination of existing providers and systems  
 Poor relationships  
 Increased costs

Strategic Link: Cross Cutting

Residual Risk Assessment      Impact 2      Likelihood 2      Score 4      Medium Priority Risk

Strategic Commitments

PE1 - We will work with partners to make the borough a place of aspiration, including supporting efforts to increase education attainment and skills development, and improve residents' health.

PE2 - We will continue to develop the leisure and cultural offer of Burnley in partnership with Burnley Leisure.

PF1 - We will continue the successful partnership with Liberata.

PF3 - We will develop our digital strategy, so that more residents transact with us online and we will continue to deliver services more efficiently.

PL1 - We will implement a range of initiatives to maintain a clean, safe, attractive and environmentally friendly borough. This will include a focus on reducing dog fouling.

PL3 - We will work with partners to improve the quality and choice in the borough's housing stock.

PL4 - We will implement our 2015-25 Green Space Strategy.

PR3 - We will deliver the Town Centre and Canalside Masterplan, and strategic projects in Padiham Town Centre.

PR5 - We will support UCLan's expansion, transforming Burnley into a University Town

Lead Responsibility : Management Team

Risk Ref: 3 Damage to the Council’s reputation

Trigger or Cause

Service failure  
 Loss of key staff  
 External events  
 Customer Satisfaction not maintained  
 Partner failure or withdrawal

Possible Consequences of Risk

Strategic plan delivery problem  
 Credibility of the leadership (both political and officer)  
 Low morale  
 Loss of key staff  
 Recruitment and retention issues

Strategic Link: Cross Cutting

Residual Risk  
 Assesement

Impact

**2**

Likelihood

**2**

Score

**4**

Medium Priority Risk

Strategic Commitments

PF1 - We will continue the successful partnership with Liberata.

PF2 - We will adopt a Medium Term Financial Strategy that will put the Council on a sustainable footing. This strategy will set the framework for annual budgets, ensuring the annual budget is set within the context of the longer term outlook.

PR1 - We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment

PL1 - We will implement a range of initiatives to maintain a clean, safe, attractive and environmentally friendly borough. This will include a focus on reducing dog fouling.

PF3 - We will develop our digital strategy, so that more residents transact with us online and we will continue to deliver services more efficiently.

Lead Responsibility : Chief Executive Officer

Risk Ref: 4 Changes in the political landscape

Trigger or Cause

No overall control  
 Political instability  
 Poor member and officer relationships  
 Poor member and member relationships

Possible Consequences of Risk

Lack of strategic leadership  
 Poor decision making  
 Impact on the Council’s reputation  
 Loss of influence with key partners

Strategic Link: People Performance

Residual Risk  
 Assesement

Impact

**1**

Likelihood

**3**

Score

**3**

Low Priority Risk

Strategic Commitments

PE1 - We will work with partners to make the borough a place of aspiration, including supporting efforts to increase education attainment and skills development, and improve residents’ health.

PF3 - We will develop our digital strategy, so that more residents transact with us online and we will continue to deliver services more efficiently.

PF5 - We will undertake a review of the council’s governance structure.

PF6 - We will set up cross party working groups to investigate issues that matter to everyone in our borough.

Lead Responsibility : Chief Executive Officer

Risk Ref: 5 Changes in national policy/legislation

Trigger or Cause

New functions/loss of existing functions  
 Short term thinking  
 Lack of capacity  
 Changes from the withdrawal from the European Union  
 Changes from the devolution of Powers from Central Government  
 Interest rate changes

Possible Consequences of Risk

Reduced control over what you do and how you do it  
 Inability to respond to the new agenda and continue with on-going functions  
 Exclusion from new or evolving regional and sub-regional governance and operating structure  
 Not in a position to deliver new functions or requirements

Strategic Link: Prosperity

Residual Risk Assessment	Impact	<b>2</b>	Likelihood	<b>3</b>	Score	<b>6</b>	Medium Priority Risk
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Strategic Commitments

PR1 - We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment  
 PF4 - We will deliver our Organisational Development strategy, ensuring we plan for the structures and capabilities the organisation needs, and empowering our workforce to deliver the objectives of

Lead Responsibility : Management Team

Risk Ref: 6 Inability to deliver the regeneration programme

Trigger or Cause

Economic downturn (C19)  
 Lending squeeze/Interest rate increases  
 Procurement failure  
 Regeneration funding priorities change  
 Changes in funding from Central Government or as a result of the withdrawal from the European Union

Possible Consequences of Risk

Inability of private sector partners to deliver  
 Delivery partner does not have the capacity to deliver  
 Delays in delivery of the regeneration programme  
 Damaged reputation  
 Increase programme costs

Strategic Link: Prosperity People

Residual Risk Assessment

Impact

**3**

Likelihood

**3**

Score

**9**

High Priority Risk

Strategic Commitments

PR1 - We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment

PR2 - We will proactively support the borough's businesses to innovate and expand, and make the borough a natural choice for business relocation

PR3 - We will deliver the Town Centre and Canalside Masterplan, and strategic projects in Padiham Town Centre.

PR4 - We will implement the Local Plan, delivering new housing, employment sites, and infrastructure.

PR5 - We will support UCLan's expansion, transforming Burnley into a University Town

PR6 - We will aim to localise public sector spend as far as possible.

PL3 - We will work with partners to improve the quality and choice in the borough's housing stock.

PE1 - We will work with partners to make the borough a place of aspiration, including supporting efforts to increase education attainment and skills development, and improve residents' health.

Lead Responsibility : Strategic Head of Economy and Growth

Risk Ref: 7 Inability to drive improvements through information technology

Trigger or Cause

Possible Consequences of Risk

IT partnership failure (to deliver past procurement)	Inability to deliver and develop services and not
IT partnership procurement failure	deliver anticipated savings and service
Current IT provision failure	improvement
Information governance failure	Public confidence in use of Council services
Cyber attack	through IT lowered

Strategic Link: Performance

Residual Risk Assessment	Impact	<b>3</b>	Likelihood	<b>1</b>	Score	<b>3</b>	Low Priority Risk
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Strategic Commitments

PF1 - We will continue the successful partnership with Liberata.

PF3 - We will develop our digital strategy, so that more residents transact with us online and we will continue to deliver services more efficiently.

Lead Responsibility : Chief Operating Officer

Risk Ref: 8 Inability to influence key decision makers

Trigger or Cause

Change of political control  
 Breakdown of key relationships  
 Change of staff/key relationships  
 Change in reputation for delivery

Possible Consequences of Risk

Loss of external funding opportunities  
 Reduced level of influence over key decision makers  
 Inability to deliver through partnerships  
 Reduced reputation of Council

Strategic Link: Cross Cutting

Residual Risk Assessment	Impact	<b>3</b>	Likelihood	<b>2</b>	Score	<b>6</b>	Medium Priority Risk
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Strategic Commitments

PE1 - We will work with partners to make the borough a place of aspiration, including supporting efforts to increase education attainment and skills development, and improve residents' health.

PL3 - We will work with partners to improve the quality and choice in the borough's housing stock.

PR1 - We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment

PR2 - We will proactively support the borough's businesses to innovate and expand, and make the borough a natural choice for business relocation

PR5 - We will support UCLan's expansion, transforming Burnley into a University Town

Lead Responsibility : Management Team

Risk Ref: 9

Risks in responding to demographic changes and increased deprivation

Trigger or Cause	Possible Consequences of Risk
Government policy	Not delivering on the regeneration programme
Economic downturn (C19)	Poor service delivery
Big ticket issues – crime, health, housing (C19)	Poor customer satisfaction
Benefit dependency (C19)	Low aspirations
Short term fixes	Damage to reputation
Negative reputation	Failure to improve
Failure to develop opportunities	Increased demand
Local Infection Increase (C19)	Increased costs
	Less funding
	Viability of Burnley

Strategic Link: Cross Cutting

Residual Risk Assessment	Impact	<b>3</b>	Likelihood	<b>3</b>	Score	<b>9</b>	High Priority Risk
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Strategic Commitments

PE1 - We will work with partners to make the borough a place of aspiration, including supporting efforts to increase education attainment and skills development, and improve residents' health.

PE2 - We will continue to develop the leisure and cultural offer of Burnley in partnership with Burnley Leisure.

PL1 - We will implement a range of initiatives to maintain a clean, safe, attractive and environmentally friendly borough. This will include a focus on reducing dog fouling.

PL2 - We will improve the management and condition of private rented accommodation.

PL3 - We will work with partners to improve the quality and choice in the borough's housing stock.

PR1 - We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment

PR2 - We will proactively support the borough's businesses to innovate and expand, and make the borough a natural choice for business relocation

PL3 - We will work with partners to improve the quality and choice in the borough's housing stock.

PR4 - We will implement the Local Plan, delivering new housing, employment sites, and infrastructure.

**Other Work**

**Community Hub**

Lead Responsibility : Management Team

Risk Ref: 10 Workforce, skills and capacity challenges

Trigger or Cause

Loss of the workforce  
 Loss of organisational memory  
 Loss of organisational skills  
 Lack of commitment to organisational development  
 Lack of investment in training  
 Political direction change

Possible Consequences of Risk

Service failure/deterioration  
 Damaged reputation  
 Increased complaints  
 Low morale  
 Recruitment and retention issues  
 Increased workflow  
 Business resilience  
 Not having the right staff with the right skills

Strategic Link: Cross Cutting

Residual Risk Assessment	Impact	2	Likelihood	3	Score	6	Medium Priority Risk
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Strategic Commitments

- PF1 - We will continue the successful partnership with Liberata.
- PF2 - We will adopt a Medium Term Financial Strategy that will put the Council on a sustainable footing. This strategy will set the framework for annual budgets, ensuring the annual budget is set within the context of the longer term outlook.
- PF3 - We will develop our digital strategy, so that more residents transact with us online and we will continue to deliver services more efficiently.
- PL1 - We will implement a range of initiatives to maintain a clean, safe, attractive and environmentally friendly borough. This will include a focus on reducing dog fouling.
- PL4 - We will implement our 2015-25 Green Space Strategy.
- PF4 - We will deliver our Organisational Development strategy, ensuring we plan for the structures and capabilities the organisation needs, and empowering our workforce to deliver the objectives of the Strategic Plan.
- PF5 - We will undertake a review of the council's governance structure.

Lead Responsibility : Chief Executive Officer

Risk Ref: 11 Malicious Attack

Trigger or Cause

Public Disturbance  
 National Risk Level  
 Lack of Stakeholder Engagement  
 Lack of Planning  
 Poor and delayed information and communication  
 Event Targeting  
 Cyber attack

Possible Consequences of Risk

Death of Public / Staff  
 Loss of Assets  
 Major impact on Services and Community  
 Evacuation  
 Financial Cost  
 Reputational damage

Strategic Link: Cross-Cutting

Residual Risk Assesment	Impact	3	Likelihood	1	Score	3	Low Priority Risk
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Strategic Commitments

PL1 - We will implement a range of initiatives to maintain a clean, safe, attractive and environmentally friendly borough. This will include a focus on reducing dog fouling.

Other Work

- Business Continuity Plans
- Emergency Planning
- Local Improvement of Counter Terrorism Strategy (CONTEST)
- Event Planning
- Community Engagement
- Local Resilience Forum

Lead Responsibility : Chief Operating Officer

Risk Ref: 12 Safeguarding Failure

Trigger or Cause

Weak or No response to reported issues  
 Historic issues which are identified  
 Safeguarding System Failure  
 Failure of Background Checks  
 Not recognising Safeguarding Risks

Possible Consequences of Risk

Injury to Clients  
 Resources diverted to address Risks  
 Major impact on Services and Community  
 Financial Costs  
 Reputational Damage  
 Central Government Action

Strategic Link: Cross Cutting

Residual Risk Assesment	Impact	3	Likelihood	1	Score	3	Low Priority Risk
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Strategic Commitments

PL1 - We will implement a range of initiatives to maintain a clean, safe, attractive and environmentally friendly borough. This will include a focus on reducing dog fouling.

PF4 - We will deliver our Organisational Development strategy, ensuring we plan for the structures and capabilities the organisation needs, and empowering our workforce to deliver the objectives of the Strategic Plan.

Other Work

Safeguarding Policy

Open and Transparent Culture

Whistleblowing Policy

Communications

Corporate Complaints Process

Lead Responsibility : Chief Executive Officer

Risk Ref: 13 Environmental Event

Trigger or Cause

Extreme Weather  
 High Rainfall  
 Heatwave  
 Changing Climate  
 High Snowfall  
 Storms and Gales  
 Flooding

Possible Consequences of Risk

Death of Public / Staff  
 Loss of Assets  
 Major impact on Services and Community  
 Evacuation  
 Financial Cost

Strategic Link: Cross Cutting

Residual Risk Assesment	Impact	3	Likelihood	1	Score	3	Low Priority Risk
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Strategic Commitments

PL5 - We will prepare and deliver a new Climate Emergency Strategy.

PL1 - We will implement a range of initiatives to maintain a clean, safe, attractive and environmentally friendly borough. This will include a focus on reducing dog fouling.

PF1 - We will continue the successful partnership with Liberata.

PF3 - We will develop our digital strategy, so that more residents transact with us online and we will continue to deliver services more efficiently.

Other Work

Business Continuity Plans  
 Emergency Planning  
 Event Planning  
 Community Engagement  
 Local Resilience Forum

Lead Responsibility : Head of Streetscene

Risk Ref: 14 Failure to respond to a widespread illness

Trigger or Cause

Pandemic  
 Influenza  
 SAR  
 MERS  
 COVID

Possible Consequences of Risk

Death of Public / Staff  
 Major impact on Services and Community  
 Financial Cost  
 Event Closure  
 Buildings Closure

**Local Infection Increase (C19)**

Strategic Link: Cross Cutting

Residual Risk  
 Assesment

Impact

**3**

Likelihood

**2**

Score

**6**

Medium Priority Risk

Strategic Commitments

PF1 - We will continue the successful partnership with Liberata.

PL1 - We will implement a range of initiatives to maintain a clean, safe, attractive and environmentally friendly borough. This will include a focus on reducing dog fouling.

Other Work

Business Continuity Plans  
 Emergency Planning  
 Event Planning  
 Community Engagement  
 Local Resilience Forum  
 Transistional Arrangements

**Community Hub**

Lead Responsibility : Head of Policy & Engagement

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## AUDIT & STANDARDS COMMITTEE

### Work Programme 2020/21

<u>DATE OF MEETING</u>	<u>AREAS TO BE CONSIDERED</u>
22 <sup>nd</sup> July 2020	<ul style="list-style-type: none"> <li>• <i>Draft Member Code of Conduct</i></li> <li>• <i>Annual Governance Statement 2019/20</i></li> <li>• <i>Audit Findings Report 201819/Statement of Accounts 2019/20</i></li> <li>• <i>Internal Audit Opinion 2019/20</i></li> <li>• <i>Internal Audit Effectiveness</i></li> <li>• <i>Work Programme 2020/21</i></li> </ul>
23 <sup>rd</sup> September 2020	<ul style="list-style-type: none"> <li>• <i>Standards Complaints Update/Code of Conduct Review</i></li> <li>• <i>Internal Audit Progress Report Q1</i></li> <li>• <i>Internal Audit Plan 2020/21</i></li> <li>• <i>Strategic Risk Register</i></li> <li>• <i>External Auditor Appointment Arrangements Update</i></li> <li>• <i>Annual Audit Letter</i></li> <li>• <i>Regulation of Investigatory Powers Act – OSC Inspection and Annual Return</i></li> <li>• <i>Work Programme 2020/21</i></li> </ul>
13 <sup>th</sup> January 2021	<ul style="list-style-type: none"> <li>• <i>External Audit Progress Report</i></li> <li>• <i>Certification Report-</i></li> <li>• <i>Draft Audit Plan 2020/21</i></li> <li>• <i>Final Accounts 2020/21 arrangements</i></li> <li>• <i>Annual Governance Statement 2020/21 Arrangements</i></li> <li>• <i>Internal Audit Progress Report Q2</i></li> <li>• <i>Fraud Risk Assessment 2020/21</i></li> <li>• <i>Strategic Risk Register 2020/21</i></li> <li>• <i>Work Programme 2020/21</i></li> </ul>
4 <sup>th</sup> March 2021	<ul style="list-style-type: none"> <li>• <i>Internal Audit Progress Report Q3</i></li> <li>• <i>External Audit Plan 2020/21</i></li> <li>• <i>Strategic Risk Register 2020/21</i></li> <li>• <i>Work Programme 2020/21</i></li> </ul>

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