



# AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Wednesday, 13th January, 2021 at 6.30 pm

## PRESENT

### MEMBERS

Councillor Paul Campbell, In the Chair.

Councillors S Hussain (Vice-Chair), S Graham, B Brindle, T Commis, M Lishman, L Mehanna and A Tatchell

### OFFICERS

Lukman Patel	– Chief Operating Officer
Howard Hamilton-Smith	– Head of Finance and Property
Catherine Waudby	– Head of Legal and Democratic Services
Ian Evenett	– Internal Audit Manager
Salma Hussain	– Internal Auditor
Chris Gay	– Governance Manager
Eric Dickinson	– Democracy Officer
Imelda Grady	– Democracy Officer
Alison McEwan	– Democracy Officer
Mark Hindman	– Graphic Designer

### CO-OPTED MEMBERS

Louise Gaskell  
Stuart Arnfield

### EXTERNAL AUDITORS

Barrie Morris – Grant Thornton

#### 71. Apologies

Apologies were received from Parish Councillor Kathryn Haworth.

#### 72. Minutes

The Minutes of the meeting held on 23<sup>rd</sup> September 2020 were agreed as a correct record.

### **73. Additional Items of Business**

There were no additional items of business.

### **74. Declarations of Interest**

There were no declarations of interest.

### **75. Exclusion of the Public**

There were no items on the agenda requiring members of the public to be excluded from the meeting.

### **76. Public Question Time**

No questions had been received.

### **77. External Audit Progress Report**

Barrie Morris from the external auditors Grant Thornton gave a verbal update on the audit progress as at January 2021.

He confirmed that they had received the financial statements and audit progress was being made, audit testing was underway, and officers were responding to queries appropriately and there were no matters of concern to bring to members attention at this time. He emphasised that whilst the audit was slightly later than planned this was not out of line with the national picture and that work was ongoing to ensure the audit was completed in a timely manner and that their findings would be reported to the March meeting of the Committee.

IT WAS AGREED

That the report be noted.

### **78. Annual Governance Statement**

Salma Hussain reported on the Annual Governance Statement for the financial year 2020/21. When completed it would be signed off by the Chief Executive and the Leader of the Council and would be reported alongside the Statement of Accounts.

Members considered the assurance gathering process as set out in the appendix to the report.

Councillor Margaret Lishman asked if the process for gathering information was any different this year and if the recent change in administration during the year had been taken into account.

Officers responded and said that the assurance statement now included issues around the pandemic. Generally previous administrations were not included but if there were any specific concerns raised by any executive member where they didn't feel able to give assurance due to the short period in office, they could raise this and consultation would be expanded to include the previous administration. Also members could raise concerns about governance at any time and this would be reported in governance statement.

Councillor Graham as the Executive Member for Resources and Performance Management said that she would consult her predecessor Councillor Lishman once she had received a copy of the Statement.

IT WAS AGREED

That the process for the Annual Governance Statement be approved,

### **79. Internal Audit Update Report Q2**

Ian Evenett reported on the internal audit for the period 1<sup>st</sup> July to 30<sup>th</sup> September 2020. He explained that the COVID response and the current vacancy in the audit team was likely to impact on the planned delivery of audits which may require some limitation on the internal audit assurance as part of the annual audit opinion.

Councillor Margaret Lishman said she assumed that in the current climate the audits were paper exercises and stressed the importance of ensuring audits were targeted appropriately. Ian explained that there was a risk rating to attempt prioritisation. Access to staff and certain services was limited due to the COVID situation but that a full audit was still carried by remote meetings and evidence was able to be examined by other measures.

Councillor Lishman further asked if future audits would be looking at the COVID responses such as the awarding of business grants. Ian confirmed that an audit of the business grants had taken place last year and that Heads of Service would be contacted for any future audits that they felt would be needed in their service areas.

IT WAS AGREED

That the content of the progress report be noted.

### **80. Fraud Risk Assessment**

Salma Hussain reported on the fraud risk assessment 2020/21.

Councillor Campbell asked if the audit of business grants would be encompassed externally in fraud risk assessments or if it would still be an internal process. Ian explained that the grant process had a full external fraud reporting process, to plot trends in fraud attempts. He did expect COVID to present new fraud risk across the Council but that NAFN (National Anti-Fraud Network) had helped by enabling reporting of fraud cases which other local authorities could access to ensure they were not exposed to those elements.

IT WAS AGREED

That the report be noted.

### **81. The Regulation of Investigatory Powers Act - annual return.**

Catherine Waudby updated members of authorisations issued under the Regulation of Investigatory Powers Act 2000 (RIPA) to ensure that the Council's RIPA powers are operated lawfully.

She confirmed that the latest inspection and report of the Investigatory Power's Commissioners received in April 2020 showed it was satisfied that the Council was complying with legislation but made recommendations that would further strengthen compliance. These included revising the policy and that staff were appropriately trained. Due to the impact of the COVID pandemic a draft revised policy would be brought to the next meeting of the Committee.

IT WAS AGRRED

That the report on authorisations issued under RIPA be noted.

### **82. Strategic Risk Assessment**

Ian Evenett reported on a review and update of the Strategic Risk Register in light of the changes in the political landscape and the request for local government reorganization.

IT WAS AGREED

That the updated Strategic Risk Register be noted.

### **83. Complaint against a Councillor**

Lukman Patel reported on the outcome of a complaint against Councillor Marcus Johnstone and on the local resolution that had been agreed.

IT WAS AGREED

That the outcome of the complaint against Councillor Marcus Johnstone, the agreed local resolution and the apology provided by Councillor Johnstone be noted.

### **84. Work Programme**

The work programme was noted.