



AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Wednesday, 7th July, 2021 at 6.30 pm

PRESENT

MEMBERS

Councillor Lord Wajid Khan of Burnley, In the Chair.

Councillors H Baker (Vice-Chair), P Campbell, P Chamberlain, T Commis, B Foster and A Wight

OFFICERS

Howard Hamilton-Smith – Head of Finance and Property
Ian Evenett – Internal Audit Manager
Salma Hussain – Internal Auditor
Eric Dickinson – Democracy Officer

CO-OPTED MEMBERS

Parish Councillor
Kathryn Haworth
Stuart Arnfield-
Burnley College

EXTERNAL AUDITORS

Georgia Jones – Grant Thornton-External Auditors

1. Apologies

Apologies for absence were received from Councillor Charlie Briggs and Councillor Asif Raja.

2. Minutes

The Minute of the previous meeting held on 24th March 2021 were agreed as a correct record.

3. External Auditors Progress Report

Georgia Jones, Engagement Lead from Grant Thornton, presented an External Auditors Progress Report.

She indicated that initial planning for the 2020/21 was undertaken in March 2021 and that the interim audit was scheduled for July 2021. She also indicated that work would begin on draft financial statements at the end of September 2021 running through to November 2021.

She stated that a more detailed Audit Plan would be brought to the next meeting on 23rd September 2021, and that an Audit Findings Report and an opinion on the Statement of Accounts would be aimed for by the end of November 2021.

She highlighted areas relating to Value for Money, Certification of claims and returns, and Audit Fees and that the Auditor's Annual Report was due by January 2022.

The following issues were raised by the Members of the Committee and responded to;

-the timing of the Audit Plan for 2020/21 was acknowledged as being later than usual due to the Covid pandemic as it would usually come to Committee in March or July, however it could be circulated before it was brought formally to the next meeting

Georgia Jones also reported on the supplementary agenda which set out correspondence with the Head of Finance and Property regarding understanding of the Council's accounting systems including all the key accounting estimates that would be included in the Council's financial statements.

In addition two-way communication on risk assessment between the Auditor and the Committee/Management was reported on to allow the auditor to gain understanding of management processes and the Council's oversight regarding General Enquiries of Management, Fraud, Law and Regulations, Related Parties and Accounting estimates.

IT WAS AGREED

That the report be noted.

4. Internal Audit Opinion 2020-21

Howard Hamilton-Smith reported as Chief Audit Executive on the opinion on the Internal Controls of the Council for the 2020/21 financial year.

He indicated that the overall opinion was that the controls of the Council continued to operate effectively despite the Covid pandemic. He also reported that any weaknesses have been addressed as part of an agreed action plan which is monitored, with further assurances provided by management regarding implementation.

He also provided a summary of audit reports issued during 2020/21, and a progress report 2021.

The following issues were raised by Members of the Committee and responded to;

- Regarding how many grants were applied for and issued, it was stated that 43.5 Million Pounds had been provided in business grants across 12 or 13 grant funding schemes based on about 1400 applications. It was also stated that some mandatory scheme monies were returned as set out by the Government, and that regarding discretionary schemes the release of the 3rd of 3 tranches of funding was being reported to the 14th July 2021 Executive for approval.

-Regarding the continuation of big projects such as Pioneer Place, it was stated that this continued in line with financial models within agreed parameters, and that regarding Vision Park this was now fully let

IT WAS AGREED

That the opinion be noted.

5. Annual Governance Statement 2020-21

Salma Hussain reported on the Annual Governance Statement (AGS) 2020/21 for approval by the Committee under its governance terms of reference.

She stated that the AGS had been produced in accordance with proper practice using CIPFA and SOLACE guidance.

She also stated that Assurance Statements had been signed by Senior Officers, that Executive Members and the Chair of Scrutiny had been requested to submit relevant Assurance Statement to the Leader, and that Liberata had been requested to provide a relevant Certificate of Assurance.

She indicated that the AGS had been signed by both the Leader of the Council and the Chief Executive as the final assurance to the public, and that the AGS would be presented in due course alongside the externally audited Statement of Accounts 2020/21.

The following issue was raised by Members of the Committee and responded to;

-the importance of the AGS was set out, as it was a statutory requirement of the Council.

IT WAS AGREED

That the Annual Governance Statement 2020/21 be approved.

6. Strategic Risk Register 2021-22

Ian Evenett reported on a Strategic Risk Register (SRR) 2021 which he stated was similar to that reported to the previous meeting in March 2021 other than the risk of failure due to the pandemic had now reduced.

Members raised the following issues which were responded to;

-the Council's future resilience in addition to a pandemic had been tested as part of the Lancashire Resilience Forum and this had included some preparation before Covid. He stated that the answer was positive although with room for improvement and lessons to be learnt, especially around getting the right message to the right people and improving relative vaccination and testing rates.

-areas of high risk due to perceived high likelihood and high impact were responded to in the Council's Strategic Plan to counteract the perceived threat such as the financial risk, and that they were continuously being monitored by Management Team and Members e.g. this SRR being reported to the 14 July Executive.

IT WAS AGREED

(1) That the Strategic Risk Register be reviewed and updated; and

(2) That the Strategic Risk Register be recommended to the Executive.

7. Work Programme 2021-22

Eric Dickinson reported on the Committee`s proposed Work Programme 2021/22.

IT WAS AGREED

That the Work Programme 2021/22 be approved.