

AUDIT AND STANDARDS COMMITTEE

Wednesday, 7th July, 2021
6.30 pm





AUDIT AND STANDARDS COMMITTEE

COUNCIL CHAMBER

Wednesday, 7th July, 2021 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>

Whilst we have returned to holding meetings in person we have limited space for members of the public to attend due to Public Health guidance. Should you wish to attend you are advised to contact democracy@burnley.gov.uk in advance of the meeting.

AGENDA

1) Apologies

To receive any apologies for absence.

2) Minutes

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

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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

- 7) External Auditors Progress Report** 15 - 42
To consider an External Auditors Progress Report.
- 8) Internal Audit Opinion 2020-21** 43 - 52
To consider a report on the Internal Audit Opinion 2020-21.
- 9) Annual Governance Statement 2020-21** 53 - 64
To consider a report on the Annual Governance Statement 2020-21
- 10) Strategic Risk Register 2021-22** 65 - 84
To consider a report on the Strategic Risk Register 2021-22
- 11) Work Programme 2021-22** 85 - 86
To consider the Work Programme for the current year.

MEMBERSHIP OF COMMITTEE

Councillors

Councillor Lord Wajid Khan of Burnley
(Chair)
Councillor Howard Baker (Vice-Chair)
Councillor Charlie Briggs
Councillor Paul Campbell
Councillor Phil Chamberlain

Councillor Tom Commis
Councillor Beatrice Foster
Councillor Asif Raja
Councillor Andy Wight

Co-opted Members

Councillor Kathryn Haworth, Habergham
Eaves Parish Council
Councillor Gill Smith, Cliviger Parish
Council
Stuart Arnfield

External Auditor

Chloe Edwards, Grant Thornton
Helen Stevenson, Grant Thornton-External
Auditor
Georgia Jones, Grant Thornton-External
Auditors

Published: Tuesday, 29 June 2021

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AUDIT AND STANDARDS COMMITTEE

THE MEETING WAS A REMOTE MEETING HELD IN ACCORDANCE WITH THE REGULATIONS UNDER SECTION 78 OF THE CORONAVIRUS ACT 2020.

Wednesday, 24th March, 2021 at 6.30 pm

PRESENT

MEMBERS

S Hussain, (Vice-Chair) In the Chair

Councillors S Graham, B Brindle, T Commis, M Lishman, L Mehanna and A Tatchell

OFFICERS

Howard Hamilton-Smith	–	Head of Finance and Property
Catherine Waudby	–	Head of Legal and Democratic Services
Amy Johnson	–	Finance Manager
Ian Evenett	–	Internal Audit Manager
Salma Hussain	–	Auditor
Chris Gay	–	Governance Manager
Christine Wood	–	Democracy Officer
Paul Barlow	–	Stream

CO-OPTED MEMBERS

Louise Gaskell

EXTERNAL AUDITORS

Barrie Morris, Grant Thornton
Helen Stevenson, Grant Thornton

85. Apologies

Apologies were received from Councillor Paul Campbell and Stuart Arnfield. Councillor Shah Hussain took the Chair.

86. Minutes

The minutes of the previous remote meeting held on Wednesday, 13th January 2021 were agreed as a correct record.

87. Additional Items of Business

There were no additional items of business.

88. Declarations of Interest

There were no declarations of interest.

89. Exclusion of the Public

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

90. Public Question Time

The Committee was advised that no public questions had been received.

91. External Auditor`s findings report.

The Committee was advised that this item had been removed from the agenda as details were included within agenda item 9.

92. Annual Governance Statement 2019/20

Salma Hussain, Auditor presented the Annual Governance Statement to the Committee requesting approval.

Salma advised that the Accounts and Audit and Regulations 2015 stated that the Annual Governance Statement must be approved by a Committee and that this responsibility was undertaken by the Audit and Standards Committee under their terms of reference, as those charged with governance.

The Committee was advised that production of an Annual Governance Statement was a statutory requirement of the Council, and that it was 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).

The Committee was further advised that all Heads of Service and key officers had provided signed Assurance Statement to the Chief Operating Officer and the Chief Executive in accordance with the organisational management structure and that these had been supported by a control and risk self-assessment questionnaire. The Chief Operating Officer had considered his statement and also signed an Assurance Statement to the Chief Executive.

It was reported that All Executive Members and the Chair of the Scrutiny Committee had completed a self-assessment questionnaire and provided a signed Assurance Statement to the Leader of the Council.

It was further reported that the strategic partner, Liberata had also submitted a Certificate of Assurance covering services they provide on behalf of Burnley Borough Council and that no issues were reported.

The Committee was advised that this process allowed the identification of the key elements of governance and internal control for incorporation into the Annual Governance Statement and was designed to assist the identification of significant control and governance issues. Minor weaknesses in governance had been identified and action to address these issues had been put in place.

The Committee was further advised that Management Ream had reviewed the Annual Governance Statement and that the statement had then been signed by both the Leader of the Council and the Chief Executive as the final assurance to the public.

The Committee was reminded that the Annual Governance Statement had been reported to a meeting of the Committee and approved in July 2020 and that the signatures had been updated again and presented alongside the externally audited Statement of Accounts 2019/20.

IT WAS AGREED

That the Audit and Standards Committee approve the Annual Governance Statement 2019/20 as attached to the report at Appendix A.

93. Audit Findings report 2019/20 and Statement of Accounts

The Head of Finance and Property submitted a report to:

1. Present the Council's audited Statement of Accounts for 2019/20, to obtain formal approval of the Committee to the audited accounts, and to recommend and request that they be signed by the Chair of the Committee; and
2. To request the Audit and Standards Committee to approve the Letter of Representation from the Head of Finance and Property to Grant Thornton (external auditors) and to recommend and request that it be signed by the Chair of the Committee; and
3. To inform the Audit and Standards Committee of the audit findings.

Grounds for the above recommendations and requests were outlined within the report.

The Committee was reminded that it had been a challenging year, due to various factors such as remote working, staff vacancies and redeployment of staff for covid related work. As a result of these pressures, deadlines had not been met for publication of accounts.

It was reported that the external audit has been concluded by Grant Thornton who were satisfied that the accounts presented a true and fair view of the Council's financial position. The accounts were attached to the report at appendix 1 for information.

It was further reported that there had been five recommendations for the Council which were detailed in the report along with the proposed actions to mitigate the recommendations.

The Head of Finance and Property advised that as the Accountable Chief Finance Officer, he was required to make representation about a range of issues upon which confidence is placed during the audit to obtain favourable opinion from Grant Thornton. A copy of the Letter of representation to Grant Thornton that the Committee was being requested to approve, for the Financial Statements for the year ended 31st March 2020, was attached to the report at appendix 2 for information.

Barrie Morris gave a brief introduction to the Audit Findings report, advising that the audit was near completion and conclusion and opinion were anticipated within the following couple of days. Barrie also referred to the impact of covid and the significant impact on delivery of the audit which had resulted in the original deadline date of 30th November 2020 not being possible to be met. There had also been a further agreed target date of 24th March 2021.

Barrie advised that the pandemic had exposed significant capacity challenges within the Council. He also advised that the Finance team had worked extremely hard and diligently to respond to audit queries effectively and in a timely manner. He recognised that the team had also faced many additional challenges.

Barrie further referred to the 5-month delay from the original deadline stating that it was a serious issue and advised that consideration had been given to making adjustments to the VFM conclusion, to reflect that there may be capacity constraints within the Finance team. He also advised that this option had been considered by the partner panel within the firm. The partner panel had agreed against this course of action as it had been recognised that the Finance team had worked diligently, proactively and because the challenges faced had been outside the control of the Finance team. The panel had concluded that such an option would not be an appropriate, to give a fair reflection of the efforts of the team.

The Committee was advised that the work on the financial statements would lead to an unqualified conclusion and that several amendments to financial statements had been identified (as covered by Helen). The VFM commentary and conclusion would also be unqualified. There had not been a requirement to exercise statutory duties on the financial statements.

Barrie advised that there were increased expectations by regulators who expected significantly more work on areas of evaluation of property plant equipment and pension revaluations. This work would continue over the year including work on management overrider controls, journals and management estimates.

Helen Stevenson advised of the overview of the scope of the Audit and of the significant audit risks, findings and other issues. Helen also advised of details of the action plan including recommendations.

Barrie advised the Committee of the increased final proposed Audit fees as detailed on page 209 of the report. Barrie reported that the increase proposed fee reflected the additional costs that had been incurred due to Covid-19 and remote working and additional costs incurred due to the delay of the account preparation. The final proposed fee was £62,720.

The following points and responses were made:

Louise Gaskell – Referred to the Significant findings and in particular to Provisions for Non-Domestic Rate Appeals “The provision has increased slightly by £6,436k in 2018/19”. Louise queried the amount of £6,436k as this was not a slight increase.

The Head of Finance and Property agreed that this figure appeared to be high and agreed that he would investigate this and confirm the accurate figure. (Update, the figure should have read £6.436k)

Louise Gaskell – Significant delay in accounts to Auditors. Has this been seen in other Local Authorities or is this specific to Burnley Council?

Barrie Morris – This was seen in a relatively high number of Councils. Burnley was not the worst but did miss the deadlines. Nationally across all Local Authorities just under 48% were signed off by November 2020 deadline. The situation had improved in December, but a number remained outstanding to be signed off. This has had a significant effect on commencing work for the 2020/21 audit.

Louise Gaskell – The recommendations within the report that the Auditors have put forward to the Council, have they been accepted?

The Head of Finance and Property – Management comments have been put against each of the recommendations. We have accepted the majority. They will be either be amended in 2019 accounts or incorporated into 2020/21 accounts.

Councillor Lishman – Referred to potential capacity gaps in Finance Team and of additional work in meeting governments request to provide grants to various businesses and self-employed persons. Did you go to Grant Thornton Panel for every other Local Authority case? Was Burnley an exception?

Barrie Morris - Not for all Councils. Only those with significant delays in production of accounts. There were a small number of Councils in which we took the view to go to Panel. We fully accept your observations that the Finance Team were dealing with lots of other initiatives. Statutory reporting is an important function. If capacity is too constrained, this can have potential significant ramifications.

Councillor Lishman – Note comments about knock on effect because work on this year’s accounts will be delayed. When will you be presenting a timetable about how this will be met and the impact on the Council if there is a delay?

Barrie Morris - In terms of 2020/21 accounts, there will be a delay. Planning and interim work would have been well underway now. We will be agreeing a timescale. Getting back to the right place will take a couple of years. At the next meeting there will be a timeline set out and agreed with officers regarding the delivery of the 2020/21 Audit. In my view we will not be able to meet the 30th September 2021 revised deadline. Should the Council be able

to demonstrate sufficient capacity and we can match that capacity, we will review that to see if we can get back on track.

The Head of Finance and Property referred to item 12 on the agenda Council arrangements for 2020/21 which was reporting on deadlines for the next two years.

IT WAS AGREED

1. That the Audit and Standards Committee approve and sign the Statement of Accounts; and
2. That the Audit and Standards Committee sign the Letter of Representation; and
3. That the Audit and Standards Committee note the audit findings.

As this was a remote meeting, arrangements had been made for the Statement of Accounts and Letter of representation to be signed outside of the meeting.

94. Internal Audit Progress Q3 2020-21

Salma Hussain presented a report to the Committee to advise of the work undertaken by Internal Audit for the period 1st October to 31st December 2019.

It was reported that from 1st October to 31st December 2020, three audit reports had been produced. Details of two of Burnley Council audits were attached to the report at Appendix 1.

A comparison of actual and planned audits was also attached to the report at Appendix 2. The Committee was advised that a number of audits had started, and to date had been completed, but due to timing would form part of later quarter statistics to be reported.

Performance indicators for Internal Audit were reported in the Finance balance scorecard. The service currently reported the number of audit reports produced as 12 against an annual target of 22 and the percentage of high-priority actions from audit actions plans implemented which was 100% and had a target of 100%.

Also outlined in the report were details of other activity that had been carried out by the Audit team in continuing to support the Council's business continuity response to the Coronavirus pandemic.

It was reported that Internal Audit had carried out follow up reviews on previously completed audits to review completed actions and had provided advice and assistance to various services.

It was further reported that all the data for the National Fraud Initiative for national exercise had been submitted and matched had been received. These had been passed to different services for processing and that Audit had been processing payroll and creditor matches. Review had been undertaken of the write offs for Quarter 2 and a report issued. The Audit team had also been involved with the Talent Management scheme.

Interviews for the position of Auditor had recently taken place and the recruitment process procedures were currently being carried out.

The Committee was advised that Head of Service were being consulted on the Audit Plan for 2021/22.

IT WAS AGREED

That the Internal Audit Progress Report be noted.

95. Strategic Risk Register 2020-21

The Internal Audit Manager presented a report to review and update the Strategic Risk Register and to request that the Committee recommend the Strategic Risk Register to the Executive.

A copy of the revised Strategic Risk Register was attached to the report with changes highlighted within.

The Committee was advised that substantial changes had been made to the register due to the strategic objectives of the Council being updated and in addition the risk score had been increased in relation to the risk score in the `Failure to respond to widespread illness`, previously score 6 amended to score 9. As the Council had entered the recovery phase, the involvement of the Council had increased across a range of areas.

The report advised that one of the consequences of the Financial Instability risk was that central government would intervene and take over control of the Authority as had been seen recently in authorities with financial problems. This had been added to the risk.

The Committee was advised that the risk of malicious attack from a national terrorist that had been reduced from severe to substantial in February 2021.

Councillor Shah noted the significant high risks in various areas due to the Coronavirus pandemic.

It was recommended the Strategic Risk Register be recommended to the Executive to ensure that risks are appropriately monitored and recorded and that the register be updated for the revised Strategic Objectives.

IT WAS AGREED

1. That the Strategic Risk Register is reviewed and updated as attached; and;
2. That the Committee recommend the Strategic Risk Register to the Executive.

96. Annual Accounts Arrangements 2020-21 and Final Accounts Arrangements 2021-22

1. The Finance Manager presented a report to update the Committee on the arrangements made to date and the implications of the changes required for the Council ahead of the closure of the 2020/21 accounts; and

2. To seek approval for the accounting policies to be used in producing the Statement of Accounts as set out in Appendix 1 as attached to the report; and
3. To inform the Committee that a date would be confirmed nearer the time for a final accounts workshop for Audit and Standards Committee members to allow officers to present the 2020/21 Statement of Accounts and explain the findings and issues; and
4. To inform the Committee that following a recent consultation exercise MHCLG had confirmed that the deadline for completion of the draft Statement of Accounts would be extended from 31st May 2021 to 31st July 2021 and that the deadline for publication of the audit Statement of Accounts would be extended from 31st July 2021 to 30th September 2021. This would apply for both 2020/21 and 2021/22 financial years.

The Committee was recommended to;

1. Note the report and arrangements that the Council was making in advance of the closure of the accounts for the year 2020/21; and
2. Approve the proposed accounting policies to be followed in producing the Statement of Accounts as attached to the report at Appendix 1.

Grounds for the above recommendations were outlined within the report.

The Committee recognised and thanked the Finance Department for the report and for their hard work during this very difficult period.

IT WAS AGREED

1. That the Committee note the report and the arrangements that the Council is making in advance of the closure of the accounts for the year 2020/21; and
2. That the Committee approve the proposed accounting policies to be followed in producing the Statement of Accounts as attached to the report at Appendix 1.

97. Regulation of Investigatory Powers Act (RIPA) - Corporate Policy

The Head of Legal and Democracy presented a report for the Committee to consider the revised Corporate Policy for Covert Surveillance and Covert Human Intelligence Sources under the Regulation of Investigatory Powers Act 2000. (RIPA) a copy of which was attached to the report.

The Committee was reminded that RIPA regulates the Council's use of covert surveillance to prevent and detect criminal activity.

The Committee was advised that the Council's Policy for the use of Covert Surveillance and Covert Intelligence Sources had been provided to the Investigatory Powers Commissioner's Office (IPCO) during the latest assessment which had taken place in March 2020.

The Committee was further advised that the report of IPCO had made recommendations to further strengthen compliance with legislation. The recommendations had included revising the Policy to include examples of the types of matters the Council may come across and strengthening the policy in relation to use of social media. Regular staff training on RIPA had also been recommended.

It was reported that the review of the Policy had been completed and it had been updated to reflect changes in the organisation and generally. The section on the use of social media had been expanded to explain situations where RIPA may be engaged. The Policy had also introduced the concept of a non-RIPA authorisation. It was clarified that this was to be used in cases where RIPA is not engaged as the activity carried out by the Council is not strictly covert because the premises have been previously warned of a visit for a test purchase or where covert surveillance is undertaken but it is not in pursuance of the investigation of crime.

It was further reported that training on the revised Policy was proposed to ensure that offices in the Council understood the obligation under RIPA and the wider circumstances where a non-RIPA type authorisation should be sought.

The Head of Legal and Democracy advised that the recommendation to the Committee had been amended since publication of the agenda and was now recommending that the Committee recommend approval of the revised Policy to the Executive.

IT WAS AGREED

That the Audit and Standards Committee recommend approval of the revised Corporate Policy for Covert Surveillance and Covert Human Intelligence Sources under the Regulation of Investigatory Powers Act 2000 to the Executive.

98. Work Program 2020-21

The work programme was noted.

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Burnley Borough Council Audit Progress Report and Sector Update

Year ending 31 March 2021

June 2021
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Agenda Item 7

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Authority or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction

Your key Grant Thornton team members are:

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This paper provides the Audit and Standards Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority; and
- includes a number of challenge questions in respect of these emerging issues which the Committee may wish to consider (these are a tool to use, if helpful, rather than formal questions requiring responses for audit purposes)

Members of the Audit and Standards Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grantthornton.co.uk ..

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at June 2021

Financial Statements Audit

We undertook our initial planning for the 2020/21 audit in March 2021, and our interim audit is scheduled for July. We expect to begin our work on your draft financial statements at the end of September running through to November.

Our interim fieldwork will include:

- Updated review of the Authority's control environment
- Updated understanding of financial systems
- Review of Internal Audit reports on core financial systems

Understanding how the Authority makes material estimates for the financial statements

Early work on emerging accounting issues

We will issue a detailed audit plan, setting out our proposed approach to the audit of the Authority's 2020/21 financial statements prior to the start of the final accounts audit.

We will report our work in the Audit Findings Report and aim to give our opinion on the Statement of Accounts by end November 2021.

Value for Money

The new Code of Audit Practice (the "Code") came into force on 1 April 2020 for audit years 2020/21 and onwards. The most significant change under the new Code is the introduction of an Auditor's Annual Report, containing a commentary on arrangements to secure value for money and any associated recommendations, if required.

The new approach is more complex, more involved and will make more impact. Before beginning work, we will discuss with you:

- Timing
- Resourcing
- Fees

The NAO have recognised that Covid-19 will significantly impact audited bodies and the financial reporting and auditing process, and may therefore affect the timing of when value for money work is performed and reported. It has therefore extended the deadline for the issue of the Auditors Annual Report to up to 3 months after the date of the opinion on the financial statements.

Please see pages 8 to 10 for further details.

Progress at June 2021 (cont.)

Other areas

Certification of claims and returns

We certify the Authority's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the Department for Work and Pensions (DWP). The certification work for the 2019/20 claim was completed on 25 February 2021. The certification work for the 2020/21 claim has not yet begun. We will report our findings in our Certification Letter in January 2022.

Meetings

We meet regularly with Finance Officers as part of our liaison meetings and continue to be in discussions with finance staff regarding emerging developments and to ensure the audit process is smooth and effective.

Events

We provide a range of workshops, along with network events for members and publications to support the Authority. Your officers attended our Financial Reporting Workshop in February, which helped to ensure that members of your Finance Team were up to date with the latest financial reporting requirements for local authority accounts

Audit Fees

During 2017, PSAA awarded contracts for audit for a five year period beginning on 1 April 2018. 2020/21 is the third year of that contract. Since that time, there have been a number of developments within the accounting and audit profession. Across all sectors and firms, the Financial Reporting Council (FRC) has set out its expectation of improved financial reporting from organisations and the need for auditors to demonstrate increased scepticism and challenge and to undertake additional and more robust testing.

Our work in the Local Government sector in 2018/19 and 2019/20 has highlighted areas where financial reporting, in particular, property, plant and equipment and pensions, needs to improve. There is also an increase in the complexity of Local Government financial transactions and financial reporting. This combined with the FRC requirement that all Local Government audits are at or above the "few improvements needed" (2A) rating means that additional audit work is required.

We have reviewed the impact of these changes on both the cost and timing of audits. We have discussed this with your s151 Officer including any proposed variations to the Scale Fee set by PSAA Limited, and will include a breakdown of audit fees in our Audit Plan.

As a firm, we are absolutely committed to meeting the expectations of the FRC with regard to audit quality and local government financial reporting.

Audit Deliverables

2020/21 Deliverables	Planned Date	Status
<p data-bbox="120 408 264 437">Audit Plan</p> <p data-bbox="120 456 1335 555">We are required to issue a detailed audit plan to the Audit and Standards Committee setting out our proposed approach in order to give an opinion on the Authority's 2020/21 financial statements and the Auditor's Annual Report on the Authority's Value for Money arrangements.</p>	July 2021	Not yet due
<p data-bbox="120 584 421 612">Interim Audit Findings</p> <p data-bbox="120 632 1290 692">We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.</p>	July 2021	Not yet due
<p data-bbox="120 721 421 750">Audit Findings Report</p> <p data-bbox="120 769 1312 798">The Audit Findings Report will be reported to the November Audit and Standards Committee.</p>	November 2021	Not yet due
<p data-bbox="120 836 336 865">Auditors Report</p> <p data-bbox="120 884 734 912">This is the opinion on your financial statements.</p>	November 2021	Not yet due
<p data-bbox="120 951 448 979">Auditor's Annual Report</p> <p data-bbox="120 999 1155 1027">This Report communicates the key issues arising from our Value for Money work.</p>	By January 2022	Not yet due

Sector Update

Authorities continue to try to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider local government sector and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- [Grant Thornton Publications](#)
- [Insights from local government sector specialists](#)
- [Reports of interest](#)
- [Accounting and regulatory updates](#)

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

A teal rectangular button with the text "Public Sector" in white, sans-serif font, centered within the button.

Public Sector

A dark purple rectangular button with the text "Local government" in white, sans-serif font, centered within the button.

Local
government

The new approach to Value for Money

The nature of value for money work

Section 20 and 21 of the Local Audit and Accountability Act 2014 (the Act), require auditors to be satisfied that the body “has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources”. The auditor’s work on VFM arrangements is undertaken in accordance with the Code and its supporting statutory guidance. The Comptroller and Auditor General has determined through the 2020 Code and guidance that the key output from local audit work in respect of VFM arrangements is the commentary as reported in the Auditor’s Annual Report. It is therefore not a VFM arrangements ‘conclusion’ or an ‘opinion’ in the same sense as the opinion on the financial statements themselves. The Act and the Code require auditors to consider whether the body has put in place ‘proper arrangements’ for securing VFM. The arrangements that fall within the scope of ‘proper arrangements’ are set out in ‘AGN 03 Auditors’ work on VFM arrangements’, which is issued by the NAO. When reporting on these arrangements, the Code requires auditors to structure their commentary on arrangements under three specified reporting criteria:

Financial sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services, including how the body:

- ensures that it identifies all the significant financial pressures that are relevant to its short and medium-term plans and builds these into them;
- plans to bridge its funding gaps and identifies achievable savings;
- plans finances to support the sustainable delivery of services in accordance with strategic and statutory priorities;

- ensures that its financial plan is consistent with other plans such as workforce, capital, investment, and other operational planning which may include working with other local public bodies as part of a wider system; and
- identifies and manages risks to financial resilience, e.g. unplanned changes in demand, including challenge of the assumptions underlying its plans.

Governance

How the body ensures that it makes informed decisions and properly manages its risks, including how the body:

- monitors and assesses risk and how the body gains assurance over the effective operation of internal controls, including arrangements to prevent and detect fraud;
- approaches and carries out its annual budget setting process;
- ensures effective processes and systems are in place to ensure budgetary control; to communicate relevant, accurate and timely management information (including non-financial information where appropriate); supports its statutory financial reporting requirements; and ensures corrective action is taken where needed;
- ensures it makes properly informed decisions, supported by appropriate evidence and allowing for challenge and transparency. This includes arrangements for effective challenge from those charged with governance/audit committee; and
- monitors and ensures appropriate standards, such as meeting legislative/regulatory requirements and standards in terms of officer or member behaviour (such as gifts and hospitality or declarations/conflicts of interests).

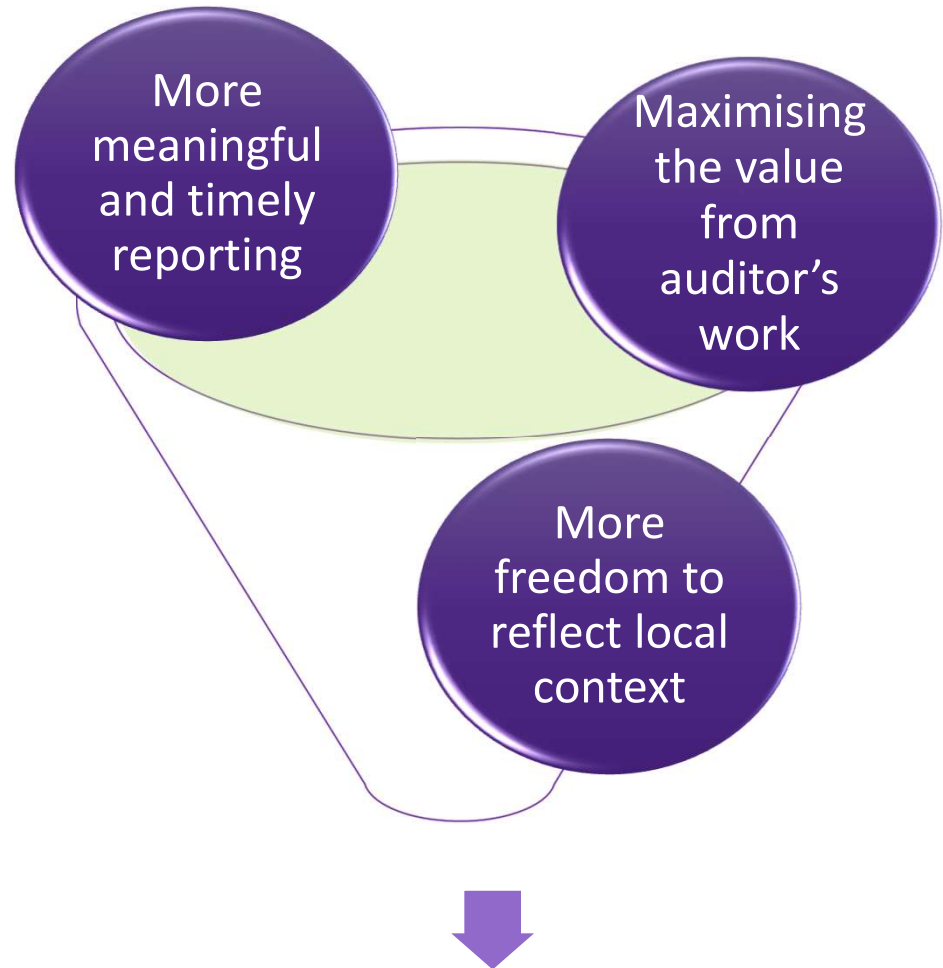
The new approach to Value for Money

Improving economy, efficiency and effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services, including:

- how financial and performance information has been used to assess performance to identify areas for improvement;
- how the body evaluates the services it provides to assess performance and identify areas for improvement;
- how the body ensures it delivers its role within significant partnerships, engages with stakeholders it has identified, monitors performance against expectations, and ensures action is taken where necessary to improve; and where the body commissions or procures services, how the body ensures that this is done in accordance with relevant legislation, professional standards and internal policies, and how the body assesses whether it is realising the expected benefits.

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VFM arrangements commentary and recommendations

The new approach to Value for Money

The table below details what will be reported in the Auditor's Annual Report:

Section of report	Content
Commentary on arrangements	An explanation of the VFM work that has been undertaken during the year, including the risk assessment and any further risk-based work. It will also highlight any significant weaknesses that have been identified and brought to the body's attention. The commentary will allow auditors to better reflect local context and draw attention to emerging or developing issues which may not represent significant weaknesses, but which may nevertheless require attention from the body itself.
Recommendations	Where an auditor concludes that there is a significant weakness in a body's arrangements, they report this to the body and support it with a recommendation for improvement.
Progress in implementing recommendations	Where an auditor has reported significant weaknesses in arrangements in the previous year, the auditor should follow up recommendations issued previously and include their view as to whether the recommendations have been implemented satisfactorily.
Use of additional powers	Where an auditor uses additional powers, such as making statutory recommendations or issuing a public interest report, this should be reported in the auditor's annual report.
Opinion on the financial statements	The auditor's annual report also needs to summarise the results of the auditor's work on the financial statements.

The table below details the three types of recommendations that auditors can make. Auditors may make recommendations at any time during the year.

Type of recommendation	Definition
Statutory recommendation	Where auditors make written recommendations to the body under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014. A recommendation of this type requires the body to discuss and respond publicly to the report.
Key recommendation	Where auditors identify significant weaknesses in a body's arrangements for securing value for money, they have to make recommendations setting out the actions that the body should take to address them
Improvement recommendation	Where auditors do not identify a significant weakness in the body's arrangements, but still wish to make recommendations about how the body's arrangements can be improved

Revised auditing standard: Auditing Accounting Estimates and Related Disclosures

In the period December 2018 to January 2020 the Financial Reporting Council issued a number of updated International Auditing Standards (ISAs (UK)) which are effective for audits of financial statements for periods beginning on or after 15 December 2019. ISA (UK) 540 (revised): *Auditing Accounting Estimates and Related Disclosures* includes significant enhancements in respect of the audit risk assessment process for accounting estimates.

Introduction

Under ISA (UK) 540 (Revised December 2018) auditors are required to understand and assess an entity's internal controls over accounting estimates, including:

- The nature and extent of oversight and governance over management's financial reporting process relevant to accounting estimates;
- How management identifies the need for and applies specialised skills or knowledge related to accounting estimates;
- How the entity's risk management process identifies and addresses risks relating to accounting estimates;
- The entity's information system as it relates to accounting estimates;
- The entity's control activities in relation to accounting estimates; and
- How management reviews the outcomes of previous accounting estimates.

As part of this process auditors also need to obtain an understanding of the role of those charged with governance, which is particularly important where the estimates have high estimation uncertainty, or require significant judgement.

Specifically do Audit Committee members:

- Understand the characteristics of the methods and models used to make the accounting estimates and the risks related to them;
- Oversee management's process for making accounting estimates, including the use of models, and the monitoring activities undertaken by management; and
- Evaluate how management made the accounting estimates?

Additional information that will be required for our March 2021 audits

To ensure our compliance with this revised auditing standard, we will be requesting further information from management and those charged with governance during our audit for the year ended 31 March 2021 in all areas summarised above for all material accounting estimates that are included in the financial statements.

Based on our knowledge of the we have identified the following material accounting estimates for which this is likely to apply:

- Valuations of land and buildings, council dwellings and investment properties
- Depreciation
- Year end provisions and accruals
- Valuation of defined benefit net pension fund liabilities

The Authority's Information systems

In respect of the Authority's information systems we are required to consider how management identifies the methods, assumptions and source data used for each material accounting estimate and the need for any changes to these. This includes how management selects, or designs, the methods, assumptions and data to be used and applies the methods used in the valuations.

When the models used include increased complexity or subjectivity, as is the case for many valuation models, auditors need to understand and assess the controls in place over the models and the data included therein. Where adequate controls are not in place we may need to report this as a significant control deficiency and this could affect the amount of detailed substantive testing required during the audit.

If management has changed the method for making an accounting estimate we will need to fully understand management's rationale for this change. Any unexpected changes are likely to raise the audit risk profile of this accounting estimate and may result in the need for additional audit procedures.

We are aware that the Authority uses management experts in deriving some of its more complex estimates, e.g. asset valuations and pensions liabilities. However, it is important to note that the use of management experts does not diminish the responsibilities of management and those charged with governance to ensure that:

- All accounting estimates and related disclosures included in the financial statements have been prepared in accordance with the requirements of the financial reporting framework, and are materially accurate;
- There are adequate controls in place at the Authority (and where applicable its service provider or management expert) over the models, assumptions and source data used in the preparation of accounting estimates.

Estimation uncertainty

Under ISA (UK) 540 (Revised December 2018) we are required to consider the following:

- Page 26
- How management understands the degree of estimation uncertainty related to each accounting estimate; and
 - How management addresses this estimation uncertainty when selecting their point estimate.

For example, how management identified and considered alternative methods, assumptions or source data that would be equally valid under the financial reporting framework, and why these alternatives were rejected in favour of the point estimate used.

The revised standard includes increased emphasis on the importance of the financial statement disclosures. Under ISA (UK) 540 (Revised December 2018), auditors are required to assess whether both the accounting estimates themselves and the related disclosures are reasonable.

Where there is a material uncertainty, that is where there is a significant risk of a material change to the estimated carrying value of an asset or liability within the next year, there needs to be additional disclosures. Note that not all material estimates will have a material uncertainty and it is also possible that an estimate that is not material could have a risk of material uncertainty.

Where there is material estimation uncertainty, we would expect the financial statement disclosures to include:

- What the assumptions and uncertainties are;
- How sensitive the assets and liabilities are to those assumptions, and why;
- The expected resolution of the uncertainty and the range of reasonably possible outcomes for the next financial year; and
- An explanation of any changes made to past assumptions if the uncertainty is unresolved.

How can you help?

As part of our planning risk assessment procedures we routinely make a number of enquiries of management and those charged with governance, which include general enquiries, fraud risk assessment questions, going concern considerations etc. Responses to these enquires are completed by management and confirmed by those charged with governance at an Audit Committee meeting. For our 2020/21 audit we have made additional enquires on your accounting estimates in a similar way (which will cover the areas highlighted above). We would appreciate a prompt response to these enquires in due course.

Further information

Further details on the requirements of ISA (UK) 540 (Revised December 2018) can be found in the auditing standard on the Financial Reporting Council's website:

[https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-\(UK\)-540_Revised-December-2018_final.pdf](https://www.frc.org.uk/getattachment/0fa69c03-49ec-49ae-a8c9-cc7a2b65382a/ISA-(UK)-540_Revised-December-2018_final.pdf)

Insight into accounting for grants in local government financial statements – Grant Thornton

The government has provided a range of financial support packages throughout the COVID-19 pandemic.

We have issued a brief bulletin aimed at helping local government bodies identify the key things they should consider when determining the accounting treatment for these grants in their financial statements for 2020/21.

There are no changes to the accounting treatment for grants as required by the CIPFA Code of Practice on Local Authority Accounting. What has changed, is the extent of additional funding to support the cost of services, to offset other income losses along with grant packages to be paid out to support local business. Local authorities need to consider the nature and terms of the various COVID-19 measures in order to determine whether there is income and expenditure to be recognised in the Comprehensive Income and Expenditure Statement in 2020/21.

The report highlights the factors to consider, including:

- Where the funding is to be transferred to other parties, is the authority acting as principal or as agent?
- Are there grant conditions outstanding?
- Is the grant a specific or non-specific grant?

Our bulletin provides you with links to further information on the various support packages and summarises features that may be relevant to your judgements as you determine the appropriate accounting treatment.

Local authorities need to demonstrate their judgements on the accounting treatment to be reasonable and soundly based and, where these have a significant effect on the accounts, to ensure they include sufficient disclosures to meet the requirements of IAS 1:122.

Please ask your audit manager for the full report:



Local government finance in the pandemic – National Audit Office

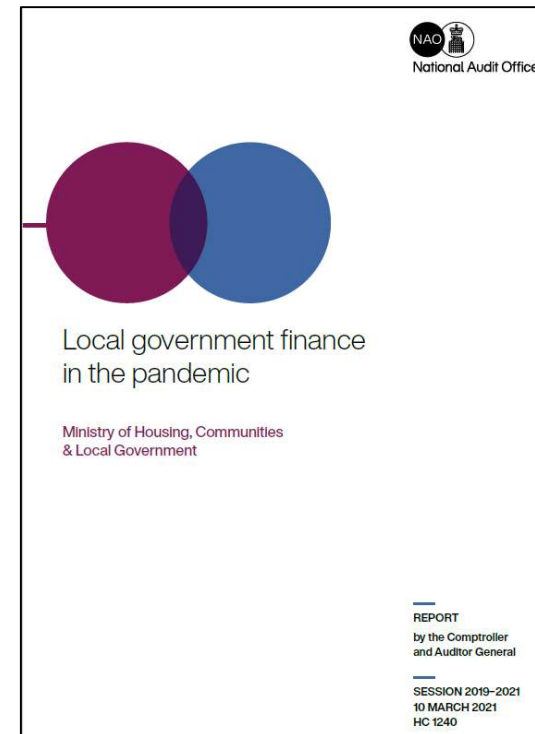
The National Audit Office (NAO) report, published in March, notes “The COVID-19 pandemic has been an unprecedented public health and economic emergency. Local authorities in England have made a major contribution to the national response to the pandemic, working to protect local communities and businesses, while continuing to deliver existing services. The pandemic has in turn placed significant pressure on local authorities’ finances, which in many cases were already under strain going into the pandemic.”

The NAO report examines if the Department’s approach to local government finance in the COVID-19 pandemic enabled it to assess and fund the costs of new services which local authorities have been asked to deliver. It also examines whether the Department fulfilled its responsibilities in securing financial sustainability across the sector.

The NAO report concludes “Steps taken by the government, led by the Department, have supported local authorities in the COVID-19 pandemic response. The Department’s successful monthly collection of data and continued intensive engagement with the sector provided a good evidence base to underpin the financial and other support provided by government. Action by the Department and wider government to support the sector has averted system-wide financial failure at a very challenging time and means that the Department has managed the most severe risks to value for money in the short term.

However, the financial position of local government remains a cause for concern. Many authorities will be relying on reserves to balance their 2020-21 year-end budgets. Despite continuing support into 2021-22 the outlook for next year is uncertain. Many authorities are setting budgets for 2021-22 in which they have limited confidence, and which are balanced through cuts to service budgets and the use of reserves.”

The NAO report found that “the combined impact on spending and non-tax income in 2020-21 is £9.7bn – equivalent to 17.6% of revenue expenditure. So far the government has announced £9.1bn of financial support, leaving a deficit of £605m.”



The full report can be obtained from the NAO website:

[Local government finance in the pandemic - National Audit Office \(NAO\) Report](#)

Good practice in annual reporting – National Audit Office

The National Audit Office (NAO) state that the guide, launched in February, “Sets out our good practice principles for good annual reporting and provides illustrative examples taken from public sector organisations who are leading the way in this area.”

The guide draws on examples of good practice from within each of the six sections of an Annual Report:

- Strategy
- Risk
- Operations
- Governance
- Measures of success
- Financial performance

The NAO also state that the guide “provides further examples where bodies have made their context more understandable to the reader through use of graphics and clear language and signposting.”

However, The NAO observe “Done well, reporting in the public sector enables the public and Parliament to understand – with ease and confidence – an organisation’s strategy and the risks it faces, how much taxpayers’ money has been spent and on what, and what has been achieved as a result.”

Further, the NAO note “The significant impacts of the pandemic emerged in the UK in mid-March 2020. This means that, for many organisations, the reporting impact will be greater in 2020-21 than in the prior year. Transparent annual reporting will help stakeholders understand the impact of COVID-19 on an organisation’s strategy, plans and operational and financial performance.”



The full report can be obtained from the NAO website:

<https://www.nao.org.uk/report/good-practice-in-annual-reports-february-2021/>

2019/20 audited accounts – Public Sector Audit Appointments

In December 2020 Public Sector Audit Appointments (PSAA) published figures relating to the audit of 2019/20 local authority financial statements.

PSAA report “Audit arrangements in local councils, police, fire and other local government bodies are continuing to exhibit signs of stress and difficulty. In the latest audit round, focusing on 2019/20 financial statements and value for money arrangements, fewer than 50% of bodies’ audits were completed by the revised target of 30 November.

Figures compiled by PSAA, the organisation responsible for appointing auditors to 478 local bodies, reveal that 55% (265) of audit opinions were not issued by 30 November. This is a further deterioration on 2018/19 audits when 43% of opinions (210 out of 486) were delayed beyond the then target timetable of 31 July.

This year’s timetable has been deliberately eased by Ministers in recognition of the underlying pressures on the audit process and the significant added complications arising from the Covid-19 pandemic. The pandemic has posed practical challenges for bodies in producing accounts and working papers, and for auditors to carry out their testing. Both sets of staff have had to work remotely throughout the period, and the second national lockdown came at a critical point in the cycle.

Questions and concerns about the potential implications of the pandemic for some bodies have meant that both finance staff and auditors have needed to pay particular attention to the financial position of each entity. Additionally, following a series of increasingly challenging regulatory reviews, auditors have arguably been more focused than ever on their professional duty to give their opinion only when they are satisfied that they have sufficient assurance.”



The news article can be found here:

[News release: 2019/20 audited accounts – PSAA](#)

CIPFA Financial Resilience Index

The Chartered Institute of Public Finance & Accountancy's (CIPFA) Financial Resilience Index is a comparative tool designed to provide analysis on resilience and risk and support good financial management.

CIPFA note "CIPFA's Financial Resilience Index is a comparative analytical tool that may be used by Chief Financial Officers to support good financial management, providing a common understanding within a council of their financial position.

The Index shows a council's position on a range of measures associated with financial risk. The selection of indicators has been informed by extensive financial resilience work undertaken by CIPFA over the past five years, public consultation and technical stakeholder engagement.

Section 151 officers may also use the index in their annual report to the council setting out the proposed budget for the year and medium-term financial strategy.

While the impact of COVID-19 resulted in a delay to the publication of the index, it is still able to provide a comprehensive pre-COVID baseline, illustrating the financial resilience of authorities as they entered the pandemic."

CIPFA found that "there was a real-terms reduction of £800m in the level of reserves in 2020 compared with the previous year. At the end of March 2020 council reserves levels stood at £24.6bn, around 3% lower than £25.4bn recorded at the same period in 2019."

CIPFA note "The index is made up of a set of indicators. These indicators take publicly available data and compare similar authorities across a range of factors. There is no single overall indicator of financial risk, so the index instead highlights areas where additional scrutiny should take place in order to provide additional assurance. This additional scrutiny should be accompanied by a narrative to place the indicator into context."



The Financial Resilience tool is available on the CIPFA website below:

<https://www.cipfa.org/services/financial-resilience-index-2021?crdm=0>



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Lessons from recent Public Interest Reports

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June 2021

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Summary

2020 will be remembered as a tumultuous year in local government. The COVID-19 pandemic highlighted four essential factors we probably always knew about local government, have often said, but are now much better evidenced:

1. Local government has provided fantastic support to its communities in working with the NHS and other partners to deal with the multifaceted challenges of the pandemic.
2. Britain's long centralised approach to government has been exposed to some degree in terms of its agility to tailor pandemic responses to regional and local bodies. This is recognised by the current government who continue to pursue the options for devolution of powers to local bodies. Track and Trace delivered centrally has not been as successful as anticipated and, according to government figures, local interventions have had more impact. Years of reduced funding from central government have exposed the underlying flaws in the local authority business model, with too much reliance on generating additional income.
Not all authorities exercise appropriate care with public money; not all authorities exercise appropriate governance; and not all authorities have the capability of managing risk, both short and long term. Optimism bias has been baked into too many councils' medium-term plans.

Summary continued

The Public Interest Reports (PIRs) at Nottingham City Council (August 2020), the London Borough of Croydon (October 2020) and Northampton Borough Council (January 2021) were the first issued since 2016. All three are clear illustrations of some of the local government issues identified above. The audit reports are comprehensive and wide ranging and a lesson for all local authorities. There are some quotes that seem particularly apposite for all councils to consider.

“There has been collective corporate blindness to both the seriousness of the financial position and the urgency with which actions needed to be taken.”

London Borough of Croydon

Grant Thornton UK LLP -October 2020

Overall, the governance arrangements were overshadowed by the Council’s determination that the Company should be a success, and this led to constitutional blindness within the Council as whole to the escalating risks involved, which were ultimately very significant risks to public money.”

Nottingham City Council

Grant Thornton UK LLP August 2020

“There was inadequate due diligence undertaken by the Director of Finance/Section 151 Officer, including an inadequate assessment of whether the work would generate assets capable of being refinanced by NTFC in order to repay the loans to the Council and of the financial viability of NTFC”

Northampton Borough Council

KPMG LLP January 2021

It is also very pertinent to reflect on what the Best Value Inspection of Northamptonshire in 2018 said in its summary.

“In Local Government there is no substitute for doing boring really well. Only when you have a solid foundation can you innovate”.

Best Value Inspection by Max Caller CBE – March 2018

Culture

The recent PIRs showed that for some councils the culture is not right. Culture must be about selflessly following the Nolan Principles in all aspects of political and officer life. These principles are set out below.

<p>1. Selflessness</p> <p>Holders of public office should act solely in terms of the public interest.</p>
<p>2. Integrity</p> <p>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.</p>
<p>3. Objectivity</p> <p>Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.</p>
<p>4. Accountability</p> <p>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.</p>
<p>5. Openness</p> <p>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</p>
<p>6. Honesty</p> <p>Holders of public office should be truthful.</p>
<p>7. Leadership</p> <p>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</p>

An open culture encourages challenge and criticism, it listens to ideas from opposition parties and it holds its leaders and officers to account for their actions. This needs to start with the political leadership and embed itself throughout the organisation. Being willing to listen to the perspectives of others is not only healthy in a democracy it facilitates better decision making. In councils where PIRs were issued, auditors identified aspects of political culture that were not receptive to challenge, scrutiny or different perspectives.

Council leadership

In our view, one of the main reasons for the poor outcomes reflected in the recent PIRs was either the absence or the ineffective execution of the qualities described above. This led to the pursuit of political objectives with no effective scrutiny and challenge. Auditors have described outcomes which have led to:

- Failure to understand the inherent risk around investing in particular markets.
- Failing to understand the crucial need to ensure financial sustainability of existing services before embarking on major new projects which brought extra layers of complexity and risk.
- Salutary lessons to councils about conducting appropriate due diligence for investing and lending to third parties, however important they are to the local community.

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A question of degree

The era of reduced central government grants, closely followed by the wholly unprecedented and as yet not fully understood post-COVID-19 landscape, is testing financial governance arrangements and risk mitigation strategies to breaking point. It is also bringing to light weaknesses in financial decisions that may have been made years ago and may otherwise have remained hidden. At an operational level, some of the common early indicators of future governance failings that we have seen over the past couple of years include:

- Lack of strategic alignment between financial, operational and political agendas, sometimes linked to a lack of corporate ownership of the medium-term financial plan and savings commitments.
- Disharmony or performance issues within the senior management team (or between members and officers) not being dealt with effectively. This results in poor co-operation, reinforces silos and in some circumstances can lead to directorates acting as semi-independent fiefdoms within the organisation.
- Financial and commercial decisions being made without sufficient transparency and consultation. In some cases, these are driven by trusted individuals in circumstances where there is a lack of opportunity for proper scrutiny.
- A lack of understanding of how to manage financial and commercial uncertainty and risk in the medium to long term. This can result in short-term financial strategies or, conversely, to overly risky long-term investments.
- Directorates left to develop financial plans and business cases, or manage commercial relationships, without sufficient oversight expertise, capacity, or resources. This heightens the risk of poor outcomes.

A question of degree continued

- Undue pressure placed on senior managers to set budgets using over-optimistic assumptions. This can allow a 'balanced budget' to be superficially achieved but the issues inevitably manifest as recurring overspends at year end which councils then struggle to mitigate.
 - Gradual loss of financial control as roll forward budgets become increasingly detached from actual activity and overspends are habitually netted off against underspends. This can disguise the root causes of directorate cost pressures and prevent them being addressed in a timely and effective way.
 - Knowledge of how things really work or why decisions were made, becoming vested in a few key individuals. This makes the council vulnerable if these people were to leave or in some cases granting them inappropriate levels of influence.
- Lack of control over financial and operational delivery, including of remedial action plans. This is often due to insufficient oversight or a lack of timely and accurate management information, and timely and decisive action taken at corporate or committee level when issues are identified.
- Awareness of the significance of audit recommendations and qualifications and ensuring they are responded to properly and not ignored or side-lined.

When combined with the more general weaknesses in governance, scrutiny, culture and leadership, these more functional and operational weaknesses provide fertile ground for the kind of significant issues we might see in a Public Interest Report.

Recommendations

So, what can councils do now to root out some of these weaknesses and deal with them before they burst out on their own terms?

- Councils are now required to consider how they measure up against the Chartered Institute of Public Finance and Accountancy (CIPFA's) new financial management code. This was greeted with some scepticism at first, but many are now seeing its value as a 'gold standard' against which arrangements can be tested. The code emphasises that financial sustainability is the responsibility of all senior leaders, not just the finance team. Councils progress on delivering the Code will be a key part of auditors' value for money work going forward.
- Councils need to ensure that they are mindful of reserve levels at all times and ensure there is a clear strategy for maintaining adequate reserves. In our view this needs to be at least 5% of net General Fund expenditure flexed upwards to consider the macro-economic and local risks the Council faces. Internal audit and risk assurance arrangements can be strengthened and emphasised as an asset to the organisation, rather than being side-lined. This will involve extra investment in these services but will have long term benefits for the council's governance. External expert support should also be brought in at the right time and councils should open themselves up to a broad range of external perspectives, including benchmarking and LGA peer reviews.
- Greater focus on establishing a healthy management culture – starting with the 'tone from the top' - that welcomes and encourages challenge rather than suppresses dissenting voices. Strong leaders are vital to getting things done, but it can be dangerous to vest too much un-checked influence in individuals.
- Look for opportunities to learn from the council's past experience and that of others. Use this to identify training needs for officers and members and make time to address them – common areas include options appraisal, optimism bias and prioritisation.
- Politics will always be there in the background, but council members should strive to work more collegiately, particularly when it comes to making strategic decisions with implications that reach many years into the future. Efforts to engender better cross-party co-operation, to improve transparency and embrace challenge from a wider cohort of members are likely to reap dividends in the long run, beyond the short-term expediency of decisions made behind closed doors.

Internal Audit Opinion 2020-21

REPORT TO AUDIT AND STANDARDS COMMITTEE



DATE	07/07/2021
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	Howard Hamilton-Smith
TEL NO	01282 425011 Ext 3162
EMAIL	Hhamilton-smith@burnley.gov.uk

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 2020-21.

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 2020/21 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, and the impact of the pandemic on the Internal Audit service.

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 2020/21 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 2020/21 Internal Audit Plan target for audit reports was 22 and the actual delivered was 19. This reduction was due to both the redeployment of Auditor into support for COVID 19 activity and a vacant post for part of the year.

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 2020/21 actual performance to targets of implementation of high priority agreed actions is at 100%.

During the year, a quality assurance and improvement programme (QAIP) 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

Several Council investigations were referred to internal audit during the year, which 9 were related to Covid related grants and one related to an online service. One investigation was completed at the request of the Monitoring Officer. 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. This has been significant during the pandemic to ensure that the Council services have been maintained.

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. This included the processing of Business Support grants for Covid payments.

The National Fraud Initiative (NFI) has had a national exercise this year, this has required the collection, checking and upload of data and the processing of matches.

There was an impact of the Coronavirus pandemic on the Internal Audit work during 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 supporting the organisation for the event. As stated, this has included, business support grants, an audit of central government grant for a partner organisation, Lancashire Resilience Forum (LRF) death management reporting, test and trace, covid case analysis and reporting, and additional LRF group involvement.

It is required that I consider the impact of changes on of resources on my ability to form an annual internal audit opinion.

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

During 2020-21 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:

Howard Hamilton-Smith Ext 3162

ALSO:

Ian Evenett Ext 7175

Appendix 1 - Summary of Audit reports Issued – 2020/21

Audit	Service	Audit Purpose	Audit Opinion	Key Actions Agreed	Implementation Detail	Score
Achieve CRM	Information Governance	To review the design and operation of the controls in place for the Council's customer relationship management (CRM) system, known as Achieve.	The system design is effective and sound controls are in place to mitigate the risk of error/ misuse. The workflows within Achieve mean that information requirements are met without unnecessary duplication.	Management to consider exploring further how system reporting could be strengthened, in conjunction with Firmstep.	December 2020	1
Personnel PIs	Human Resources	The purpose of the audit was to review the accuracy of the figures reported for the payroll and personnel performance indicators.	Performance indicators have been clearly defined in the contract documentation. A difference of interpretation in calculating the PI's was identified and inaccuracies were found with some of the figures reported	Performance will be reported based on the results from the sample check prior to any corrections being made. The quarterly average will be calculated from the error summary sheet taking the average of the respective 3 months. The year-end target figure on the corporate scorecard will agree to the figures stated on the contract documentation for each PI.	July 2020 July 2020 Immediate	3
Taxi Licensing	Streetscene	To ensure the taxi licensing service is operating effectively and that it can demonstrate compliance with relevant safeguarding procedures.	Comprehensive set of procedures in operation for the issuing of licenses. Appropriate vehicle and safeguarding checks are in place to ensure public safety.	To consider including the explicit requirement to the taxi driver's guidance documentation - for drivers to ensure they have valid insurance and any notifications to be made accordingly.	March 2020	1
Annual Governance Statement	Corporate	To review and report on the Councils governance arrangement and system of internal control for 2019/20	There were no significant issues identified by the review	None	N/A	N/A
Write Offs for 2020	Corporate/ Finance	To audit the Council's write-off of debts for 2019/20 and Q1 2020/21	N/A	None	N/A	1

Appendix 1 - Summary of Audit reports Issued – 2020/21

Audit	Service	Audit Purpose	Audit Opinion	Key Actions Agreed	Implementation Detail	Score
Charity Accounts – Mayors Charity	Corporate	To provide an independent review to Charity Commission requirements.	There were no significant issues identified by the review	None	N/A	1
Charity Accounts – Acorn Fund	Corporate	To provide an independent review to Charity Commission requirements.	There were no significant issues identified by the review	None	N/A	1
Charity Accounts – JW Shaw	Corporate	To provide an independent review to Charity Commission requirements.	There were no significant issues identified by the review	None	N/A	1
Charity Accounts – Stocks Massey Bequest	Corporate	To provide an independent review to Charity Commission requirements.	There were no significant issues identified by the review	None	N/A	1
Code of Conduct	Monitoring Officer	To complete a review on behalf of the Monitoring Officer in respect compliance with the Member Code of Conduct	A recommendation was made to the Monitoring Officer	None	N/A	N/A
Write Offs for 2020	Corporate/ Finance	To audit the Council's write-off of debts for Q2 2020/21	N/A	None	N/A	1
Benefits Audit	Finance	The purpose of this audit is to review controls in the payment of benefits. To ensure that the right benefit is paid at the right time	There are adequate systems in place to minimise the possibility of the wrong amount of benefit being paid.	None	N/A	1
Overpayment of Benefits	Finance	To review the controls in the overpayments of Benefits system including classification and recovery.	There are adequate systems in place to minimise overpayment	An Overpayment policy should be produced and provided to all officers.	June 2021	2
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 – 2020/21

Audit	Service	Audit Purpose	Audit Opinion	Key Actions Agreed	Implementation Detail	Score
Select Licensing Account Incident	Housing and Development Control	To consider the allegations made in a complaint in respect of transactions on a Selective Licensing Landlord Application.	There is no evidence of irregular activity within the landlord account.	None	N/A	N/A
Write-Off Q3 2020-21 Report	Corporate/ Finance	To audit the Council's write-off of debts for Q3 2020/21	N/A	None	N/A	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.

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Internal Audit Opinion - Appendix 2 – Progress Report 2021

Audit	Started	Report Issued	Audit Score
Corporate			
Annual Governance Statement	✓	✓	
NFI	✓		
Charities			
J W Shaw	✓	✓	1
Mayor's Charity	✓	✓	1
Acorn Fund	✓	✓	1
E Stocks Massey	✓	✓	1
Debts Write-Off	✓	✓	1
Fraud Risk Review	✓	✓	
Partnerships			
Strategic Partner Performance Indicators			
Personnel PIs	✓	✓	3
Safeguarding			
Monitoring Office Report	✓	✓	
Finance & Property			
Benefits Calculations Check	✓		
Final Accounts			
Payment of Benefits	✓	✓	1
Treasury Management			
Payment of Creditors			
Council Tax	✓		
Payroll			
Overpayment of Benefits	✓	✓	2
Business Support Grants	✓		
Information Governance			
IT Management			
Information Governance			
Achieve CRM	✓	✓	1
Housing & Development Control			
Empty Homes Initiative			
Selective Licencing Account	✓	✓	
Legal & Democratic Services			
Electoral Registrations			
Green Spaces & Amenities			
Vehicles and Plant			
Economy & Growth			
Vision Park Project	✓		
Streetscene			
Urbaser - Waste Contract			

Taxi Licensing	✓	✓	1
Other			
Burnley Leisure SLA	✓	✓	

Annual Governance Statement 2020/21

REPORT TO AUDIT AND STANDARDS COMMITTEE



DATE	07/07/2021
PORTFOLIO	Resources and Performance Management
REPORT AUTHOR	Salma Hussain
TEL NO	01282 425011 Ext 3152
EMAIL	salmahussain@burnley.gov.uk

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 2020/21 (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 2021 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, updated to consider any impact of the pandemic. The Chief Operating Officer has considered his statements and 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 2020/21.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

10. None

POLICY IMPLICATIONS

11. None

DETAILS OF CONSULTATION

12. None

BACKGROUND PAPERS

13. None

FURTHER INFORMATION

PLEASE CONTACT:

Salma Hussain Ext 3152

ALSO:

Ian Evenett Ext 7175

**Annual
Governance
Statement
2020/21**

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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 CIPFA¹/SOLACE² Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website at:

[Part 5.8 Local Code for Corporate Governance 2019 LP251119.pdf \(moderngov.co.uk\)](#)

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.

¹ Chartered Institute of Public Finance and Accountancy

² 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 31st March 2021 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 on an annual basis. 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. Elections did not take place in 2020-21 due to the pandemic. 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 is committed to continue to embed best practice within our organisational development and Health and Wellbeing work.

- 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.

Impact of the Covid-19 Pandemic

- 3.16 In February 2020, the Council activated its business continuity plans and adopted approaches to maintain critical business activities. A Business Response Group was formed between the Council and some of its partners. Regular meetings have been taking place.
- 3.17 The Council quickly engaged with Lancashire Resilience Forum and followed the national guidelines for local authorities.
- 3.18 **Community Recovery Strategy** was produced and this states how the council and its partners will meet the challenges of the pandemic and will build on the opportunities it has created.
- 3.19 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.
- 3.20 The organisation managed a rapid transition to home working for the majority of staff and redeployment for those who could not carry out normal duties (including work with the Community Hub). Some services were closed or adapted to comply with national guidelines.
- 3.21 Committee meetings and other meetings have taken place remotely.
- 3.22 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**.

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.

ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT.

- Council meetings are conducted in public; decisions have been properly recorded and are in the public domain.
- Public consultations have been carried out:
 - Market Hall Perceptions
 - Homelessness Strategy
 - Developer Contributions
 - Air Quality Management SPB
 - Padiham Town Centre Recovery/Improvements
 - Alley Gate Policy
- Partnership boards for the strategic partners:
 - Liberata
 - Urbaser

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

- The Strategic Plan is in place and is underpinned by Service Plans.
- The Community Recovery Strategy is in place.
- 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.

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.

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

- Member training programmes are in place. Training during 2020/21 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.

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.

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

- Information on the decision-making process is readily available to all stakeholders.
- 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 2020-21
- 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

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 2020/21 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. Additional questions relating to the impact of the pandemic were included in the questionnaire. 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.
- Work is currently ongoing with the Financial Management Code.

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.

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.

6. ACTION TAKEN TO ADDRESS PREVIOUS ISSUES

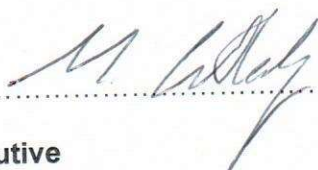
- 6.1 No significant issues had been identified on the previous (2019/20) governance statement.

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

Signed: 

Chief Executive

Date: 17/06/2021

Date: 17/06/2021

ITEM NO	[AgendaItem]
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Strategic Risk Register Update

REPORT TO AUDIT & STANDARDS COMMITTEE



DATE	07/07/2021
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	Ian Evenett
TEL NO	01282 425011 Ext 7175
EMAIL	ievenett@burnley.gov.uk

PURPOSE

1. To Review and Update the Strategic Risk Register.

RECOMMENDATION

2. That the Strategic Risk Register is reviewed and updated.
3. That the Committee recommend the Strategic Risk Register to the Executive.

REASONS FOR RECOMMENDATION

4. To ensure that Risks are appropriately monitored and recorded.
5. The register is updated for the revised Strategic Objectives.

SUMMARY OF KEY POINTS

6. Attached a revised Strategic Risk Register. The change is highlighted in the draft and reported below.
7. **Failure to respond to widespread illness**

This risk has been rescored to 3 impact and 2 likelihood and score as a 6, medium risk. This was 3 impact and 3 likelihood and score 6, high risk. The impact of variant strains has been added as a trigger. The responses have been revised to include the response to surges in infection and to include isolation payments.

FINANCIAL IMPLICATIONS AND BUDGET PROVISION

8. None

POLICY IMPLICATIONS

9. This is part of the Risk Management and Corporate Governance approach for the Council

DETAILS OF CONSULTATION

10. None

BACKGROUND PAPERS

11. None

FURTHER INFORMATION

PLEASE CONTACT:

Ian Evenett Ext 7175

ALSO:



Burnley Borough Council

Strategic Risk Register

18 June 2021

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
4	Changes in the political landscape	6
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
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
 Central Government Intervention

Strategic Link: Cross Cutting

Residual Risk Assessment	Impact	3	Likelihood	3	Score	9	High Priority Risk
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Strategic Commitments

- PF1 - We will manage our contract with Liberata robustly, so it delivers value for money and good services.
- PF2 - We will adopt a Medium Term Financial Strategy that will put the Council on a sustainable financial footing. This strategy will set the framework for preparing annual budgets, ensuring the annual budget strategy 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.
- PF4 - We will deliver our Organisational Development strategy, ensuring we plan for the structures and capabilities that the organisation needs, and empowering our workforce to deliver the objectives
- PL6 - We will invest in our heritage assets for the benefit of this, and future, generations.
- PR5 - We will support UCLan's expansion, transforming Burnley into a University Town
- PR6 - We will delivery our COVID-19 economic recovery plan.
- PE2 - We will continue to develop the leisure and cultural offer of Burnley in partnership with Burnley Leisure.
- PE4 - We will work on the wider determinants of poor health and will deliver our COVID-19 community recovery plans

Lead Responsibility : Head of Finance & Property

Risk Ref: 2 Maintaining Partnership Performance

Trigger or Cause

Possible Consequences of Risk

Procurement method

Reduced service delivery

Supply chain failure

Reduced customer satisfaction

Commissioning 'v' traditional culture

Political or reputation embarrassment

Political Change

Perceived council failure

Poor implementation

Poor co-ordination of existing providers and systems

Compliance/Legal

Poor relationships

Business continuity

Increased costs

Transformational cultural change not achieved

Poor or weak contract management

Partner failure or withdrawal

Strategic Link: Cross Cutting

Residual Risk
Assesement

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.

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

PF1 - We will manage our contract with Liberata robustly, so it delivers value for money and good services.

PE3 - We will work with partners to provide necessary support systems to reduce homelessness and to end rough sleeping in the borough.

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 Assessment

Impact

2

Likelihood

2

Score

4

Medium Priority Risk

Strategic Commitments

PF1 - We will manage our contract with Liberata robustly, so it delivers value for money and

PF2 - We will adopt a Medium Term Financial Strategy that will put the Council on a sustainable financial footing. This strategy will set the framework for preparing annual budgets, ensuring the annual budget strategy 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.

PE4 - We will work on the wider determinants of poor health and will deliver our COVID-19 community recovery plans

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
 Local Govt Reorganisation

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

2

Likelihood

3

Score

6

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.

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

PE4 - We will work on the wider determinants of poor health and will deliver our COVID-

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

Other Work

Council Constitution

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

2

Likelihood

3

Score

6

Medium 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

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

Lead Responsibility : Management Team

Risk Ref: 6 Inability to deliver the regeneration programme

Trigger or Cause

Possible Consequences of Risk

Economic downturn (C19)

Inability of private sector partners to deliver

Lending squeeze/Interest rate increases

Delivery partner does not have the capacity to delivery

Procurement failure

Delays in delivery of the regeneration programme

Regeneration funding priorities change

Damaged reputation

Changes in funding from Central Government or as a result of the withdrawal from the European Union

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 delivery our COVID-19 economic recovery plan.

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.

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)
 IT partnership procurement failure
 Current IT provision failure
 Information governance failure
 Cyber-attack

Inability to deliver and develop services and not deliver anticipated savings and service improvement
 Public confidence in use of Council services through IT lowered

Strategic Link: Performance

Residual Risk Assessment

Impact

3

Likelihood

1

Score

3

Low Priority Risk

Strategic Commitments

PF1 - We will manage our contract with Liberata robustly, so it delivers value for money and

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
 Assesement

Impact

3

Likelihood

2

Score

6

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.

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

Government policy
 Economic downturn (C19)
 Big ticket issues – crime, health, housing (C19)
 Benefit dependency (C19)
 Short term fixes
 Negative reputation
 Failure to develop opportunities
 Local Infection Increase (C19)

Possible Consequences of Risk

Not delivering on the regeneration programme
 Poor service delivery
 Poor customer satisfaction
 Low aspirations
 Damage to reputation
 Failure to improve
 Increased demand
 Increased costs
 Less funding
 Viability of Burnley

Strategic Link: Cross Cutting

Residual Risk Assessment	Impact	3	Likelihood	3	Score	9	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.

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 manage our contract with Liberata robustly, so it delivers value for money and
- PF2 - We will adopt a Medium Term Financial Strategy that will put the Council on a sustainable financial footing. This strategy will set the framework for preparing annual budgets, ensuring the annual budget strategy 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 that the organisation needs, and empowering our workforce to deliver the objectives of the Strategic Plan. This will include embedding hybrid working patterns where this improves

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
 Assessment

Impact

3

Likelihood

1

Score

3

Low Priority Risk

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
 Assessment

Impact

3

Likelihood

1

Score

3

Low Priority Risk

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 that the organisation needs, and empowering our workforce to deliver the objectives of the Strategic Plan. This will include embedding hybrid working patterns where this improves

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
 Assessment

Impact

3

Likelihood

1

Score

3

Low Priority Risk

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 manage our contract with Liberata robustly, so it delivers value for money and

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

Local Infection Increase (C19)

Variant Strains

Possible Consequences of Risk

Death of Public / Staff

Major impact on Services and Community

Financial Cost

Event Closure

Buildings Closure

Business and Economy failures

Strategic Link: Cross Cutting

Residual Risk
Assesment

Impact

3

Likelihood

2

Score

6

Medium Priority Risk

Strategic Commitments

PR6 - We will delivery our COVID-19 economic recovery plan.

PE4 - We will work on the wider determinants of poor health and will deliver our COVID-19 community recovery plans

PE3 - We will work with partners to provide necessary support systems to reduce homelessness and to end rough sleeping in the borough.

Other Work

Business Continuity Plans

Emergency Planning

Community Engagement

Local Resilience Forum

Transitional/Recovery Arrangements

Test/Trace/Vaccination/Isolation Payments/Cremation Services

Community Hub

Surge Strategy

Lead Responsibility : Management Team

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AUDIT & STANDARDS COMMITTEE

Work Programme 2021/22

DATE OF MEETING	AREAS TO BE CONSIDERED
7 th July 2021	<ul style="list-style-type: none"> • Internal Audit Opinion 2020/21 • Strategic Risk Register • Work Programme 2021/22 • Annual Governance Statement 2020/21 • External Audit Progress Report - Grant Thornton
23 rd September 2021	<ul style="list-style-type: none"> • Standards Complaints Update • Internal Audit Progress Report 2021/22 Q1 • Internal Audit Plan 2021/22 • Strategic Risk Register • External Audit Progress Report 2020/21 & Sector Update – Grant Thornton • External Audit Plan 2021/22– Grant Thornton • Work Programme 2021/22
27 th January 2022	<ul style="list-style-type: none"> • Approve Audited Accounts 2020/21 • External Audit Progress Report 2020/21 • Annual Governance Statement 2021/22 Arrangements • Internal Audit Progress Report 2021/22 Q2 • Fraud Risk Assessment 2021/22 • Strategic Risk Register • Regulation of Investigatory Powers Act – Annual Return • Standards Complaints Update • Work Programme 2021/22
17 th March 2022	<ul style="list-style-type: none"> • Internal Audit Progress Report 2021/22 Q3 • External Audit Plan 2021/22 • Strategic Risk Register 2021/22 • External Audit Progress Report 2020/21 • Annual Governance Statement 2020/21

	<ul style="list-style-type: none">• Audit Findings 202/21 and Annual Statement of Accounts 2020/21• External Audit Annual Audit Letter• Work Programme 2021/22
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