



# AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Thursday, 22nd September, 2022 at 6.30 pm

## PRESENT

## MEMBERS

Councillor Lord Wajid Khan of Burnley, In the Chair.

Councillors C Briggs, S Hussain, A Lewis and M Townsend

## OFFICERS

Howard Hamilton-Smith	–	Head of Finance and Property
Amy Johnson	–	Finance Manager
Ian Evenett	–	Internal Audit Manager
Suzanne Rawson	–	Auditor
Alison McEwan	–	Democracy Officer

## CO-OPTED MEMBERS

David Swift  
Stuart Arnfield

## EXTERNAL AUDITORS

Helen Stevenson	–	Grant Thornton-External Auditor
Georgia Jones	–	Grant Thornton-External Auditors

### 7. Apologies

Apologies were received from Cllrs Baker and Wight.

### 8. Minutes

The minutes of the last meeting were approved as a correct record and signed by the Chair.

### 9. External Audit Progress Report and Sector Update

Helen Stevenson of Grant Thornton presented a brief progress update on the progress being made on the external audit of accounts for 2021/22.

Members discussed the following:

- When would the audited accounts be received? The final accounts would be a few weeks. An additional meeting would be arranged in November to allow them to be signed off.
- Is there a strategic Audit Plan? In line with CIPFA guidance there is a Strategy and Charter.
- Will the committee use the audit effectiveness tool? That was a decision for the committee. There was currently a peer review of the service ongoing. Officers and members had responded to a survey and follow up interviews were planned. A draft report was expected shortly after that, and would be brought to committee likely in January accompanied by management responses.

## **10. External Audit Plan 2021/22**

Georgia Jones presented a report on the External Audit Plan and highlighted the following:

- The areas identified were standard areas of risk for Local Government.
- Members attention was drawn to p48 of the agenda – Audit Fees, where an additional fee was to be levied for 2020/21 due to an additional amount of work that was required. This additional fee had to be justified to and authorised by Public Sector Audit Appointments.

Members discussed the following:

- There seemed to be an amount of learning the Committee needed to undertake in order to be able to sign off the accounts? A training session would be organised before the committee meeting.
- With regard to the additional fees charged, would it not also be fair to recognise the additional pressures on the team due to COVID and other issues. This had been stated in the Management response.

## **11. Auditor's Annual Report**

Georgia Jones introduced the report explaining that this was a much deeper dive since the introduction of the new code, but that it was a positive report.

Members considered the following:

- Whether a number of reviews and strategies hadn't been updated due to additional pressures due to COVID. This was the case and reviews that would lead to the strategies being updated had been planned. This had formed part of the management response which recognised some of the recommendations and had actioned others.
- The Strategic Plan is owned by the Executive, so whilst the document is shared and reported on to Council, it may not be appropriate to share some information.
- In respect of Charter Walk this was also on the internal audit plan for 2022/23.

## **12. Internal Audit Progress Report 2022/23 Q1**

In presenting his report, Ian Evenett highlighted the following:

- Both posts had been filled from July. Suzanne Rawson had joined on a full-time permanent basis, and the other post on a temporary part-time basis.

Members considered the following:

- Whether the team was confident that the full plan would be achieved? Best efforts are guaranteed, but the team is also required to respond to issues as they arise, therefore may have to divert attention. In this scenario there is a clear priority established, and audits would be tackled in priority order. Currently not anticipating full completion, but if there is significant deviation the plan will be brought back to Committee.
- How do related party interests affect Liberata? There is no impact, as they have no influence. Liberata hold their own register on interests held by their own staff handling the Burnley contract to ensure no conflicts of interest.
- With regards to phishing etc, the Council is assumed to have sufficient security in place (firewalls etc?). Yes the Council does have suitable measures in place, however nothing is perfect and the way that criminals target information is constantly evolving, and the target is any weak spot which is often the human operator, especially given the sheer number of transactions involved. Regular phishing tests are carried out.
- It is noted in the minutes regarding the new plan that payroll audit was missed last year, and it is also not included in this years plan. That is because the risk assessment has been updated, and the risk has reduced. It is however a routine system that is regularly audited. Prioritising this would mean that another large element of the audit – the creditor system would have to be missed.

## **13. Strategic Risk Register**

Ian Evenett introduced the report and highlighted that in response to comments from the external auditor new risks had been included , for example cost of living which was a high risk.

The risk of an 'environmental event' occurring had been increased due to the extreme weather patterns experienced.

The risk of widespread illness had been reduced.

Members considered the following:

- Six of the strategic commitments are managed by Liberata. How does the Council gain assurance that the risks are being appropriately managed? Their systems are audited by the Council; assurances are sought from them re. systems and compliance in the Annual Governance Statement and also their performance against measures set out in the contract. There are also regular performance management reports to Scrutiny Committee.

- What if the pandemic returns? This would still sit as a risk in the register, and there would be an effect in terms of service delivery, but the Council learned lessons from the pandemic, and had increased experience of operating during a pandemic therefore the impact is less.

It was RESOLVED that the Strategic Risk Register be recommended for approval by the Executive.

#### **14. Annual Governance Statement 2021/22**

It was RESOLVED that the Annual Governance Statement be approved.

#### **15. Work Programme**

The workplan would be updated to reflect the additional meeting on 16<sup>th</sup> November.

It was also noted that a recruitment process would be carried out for an additional Parish representative to replace Gill Smith. A report would be brought to Committee, then taken to Council for approval.

It was also RESOLVED that the Chair would write to Mrs Smith to thank her for her hard work and commitment to the Committee over a good number of years.