



# AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Wednesday, 20th September, 2017 at 6.30 pm

## PRESENT

### MEMBERS

Councillor Jean Cunningham, In the Chair.

Councillors T Harrison (Vice-Chair), J Greenwood, A Newhouse and A Tatchell

### OFFICERS

Ian Evenett – Internal Audit Manager  
Imelda Grady - Democracy Officer

### CO-OPTED MEMBERS

Colin Crowther  
Councillor Kathryn  
Haworth

### EXTERNAL AUDITORS

Zak Francis – Grant Thornton

## 13. Apologies

Apologies for absence were received from Councillors Margaret Lishman, Ann Royle and Jeff Summer and also from Louise Gaskell and Gill Smith.

## 14. Minutes

The minutes of the meeting held on 26<sup>th</sup> July 2017 were approved as a correct record and sunged by the Chair.

## 15. Declarations of Interest

## 16. Annual Audit Letter 2016/17

The Committee received for information the Annual Audit Letter for 2016/17 which summarised the key findings of the audit.

The letter confirmed that the Council had in place proper arrangements to ensure economy, efficiency and effectiveness in the use of its resources during the year ended 31 March 2017 and there were no issues identified that required any action.

The External Auditor explained that the work to certify the Council's Housing Benefit Subsidy claim on behalf of the Department for Work and Pensions was not yet complete but would be finalised by 30 November 2017 and the results would be included in the Annual Certification Letter.

Colin Crowther asked how the audit of the pension fund was carried out and the external auditor explained that this work was assisted by a separate specialist team within Grant Thornton whose findings were fed into the Audit.

### **IT WAS AGREED**

That the Annual Audit Letter 2016/17 be noted.

## **17. External Review Report**

The Internal Audit Manager informed members of the external review of the Internal Audit against the Public Sector Internal Audit Standard (PSIAS).

Internal Audit is required to comment annually on its compliance with the standards and at least once in every five years the compliance must be externally assessed. This assessment, in the form of a Peer Review, had been undertaken in June 2017 by the Heads of Internal Audit in Hyndburn and Pendle.

The main outcome of the review was that the Council had complied 95% with the PSIAS requirements and there were no major areas of non-compliance.

Points that had been raised by the reviewers along with the Council's measures to be taken in response to them were detailed in Appendix 2 to the report and relevant items would be included in the internal audit's Quality Assurance and Improvement Programme (QAIP).

An issue that had been raised was the independence of the Head of Internal Audit and the potential of a conflict of interest with his role as S151 Officer and Head of Finance. This had been addressed and an officer outside of Internal Audit would act as the Chief Audit Executive instead of the Head of Finance where the potential conflict could be seen.

Colin Crowther asked at what point the actions would be implemented and Ian Evenett said that he would report back on this.

### **IT WAS AGREED**

That the report be noted.

## **18. External Audit Appointment**

Members were informed of the progress in the appointment of the External Auditor for 5 years commencing 2018/19.

Full Council had agreed to opt-in to the sector led body operated by PSAA and the procurement exercise had been conducted and consultation with appointment authorities was being carried out and a final decision was expected at the end of 2017.

The Chief Executive, Head of Finance and the Chair of Audit and Standards had been consulted and all were satisfied with the appointment of Grant Thornton (UK) LLB as the Council's external auditor for the five years commencing 1 April 2018.

Colin Crowther asked if there would be an annual review during the 5 year period of the contract and Ian Evenett said he was not aware that there would be, but confirmed that any compliance issues during the contract would be dealt with.

Arrangements for the potential removal of an appointed external auditor are addressed within the Local Audit (Auditor Resignation and Removal) Regulation 2014. This was to protect the external auditor's independence.

### **IT WAS AGREED**

That the report be noted.

## **19. Internal Audit Report Quarter 1 , 2017/18**

Members received for information details of the work undertaken by Internal Audit for the period 1<sup>st</sup> April to 20<sup>th</sup> June 2017.

### **IT WAS AGREED**

That the report be noted.

## **20. Work Programme**

Members gave consideration to the work programme for 2017/18 and noted the slippage of the Partnership Governance and Monitoring Arrangements (Liberata Contract) to the January meeting.

### **IT WAS AGREED**

That the work programme be noted.