



AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Wednesday, 7th March, 2018 at 6.30 pm

PRESENT

MEMBERS

Councillor Jean Cunningham, In the Chair.

Councillors J Greenwood, M Lishman, A Newhouse, A Royle, A Tatchell and M Townsend

OFFICERS

Ian Evenett – Internal Audit Manager
Imelda Grady – Democracy Officer

CO-OPTED MEMBERS

Louise Gaskell -
Councillor Gill Smith

EXTERNAL AUDITORS

Mark Heap

34. Apologies

Apologies were received from Colin Crowther, Marianne Dixon and Kathryn Haworth.

35. Minutes

To Minutes of the meeting held on 10th January 2018 were agreed as a correct record and signed by the Chair.

36. Additional Items of Business

1. In accordance with the provisions of Section 100(B)(4)(b) of the Local Government Act 1972, the Chair decided that a report on Padiham Town Council's failure to

prepare its annual return should be taken as an additional item of business and would be taken as item 11 on the agenda.

2. The Democracy Officer reported receipt of a letter of resignation from the Independent member Colin Crowther who was leaving Burnley College at the end of July. Members asked that a letter of thanks be sent to Colin on behalf of the Committee in recognition of his services to the Committee over the past 12 years.

37. Declarations of Interest

Councillors Jean Cunningham and Andy Tatchell declared a prejudicial interest in item 11-Padiham Town Council failure to prepare the annual return. They left the room during consideration of this item and took no part in the debate or vote on the item.

38. External Audit Report and Sector Update

Mark Heap from the external auditors Grant Thornton presented the audit progress report for the year ending 31st March 2018.

The report detailed the progress of the audit deliverables and key milestones in order for the Council to meet the audit deadline date of July 2018. He confirmed the Council was well placed to meet this deadline.

Members were also provided with links to a digest of publications and topical issues.

IT WAS AGREED

That the report be noted.

39. External Audit Plan for year end 31st March 2018

Mark Heap presented the external audit plan for the year end 31st March 2018. He emphasised that the plan was designed to mitigate any risks to the Council and he appraised members of risks that had been identified. He also gave the progress on the external auditor's opinion on value for money which would be reported in due course and be included in the Annual Audit letter.

In respect of significant risks identified, Councillor Townsend asked if these were unique to Burnley or if they were common within local authorities as a whole. Mark confirmed that the risks were similar in many other local authorities.

Councillor Lishman asked if the financial difficulties at the County Council had been taken into account when managing the pensions risk for Burnley Council. Mark Heap explained that the Lancashire County Council's pension fund (LCCPF) was audited by a separate team of colleagues within Grant Thornton and that he liaised with colleagues as part of the Burnley Council's liabilities in terms of the pension fund .

Councillor Lishman asked what were the significant risks on valuations of property, plant and equipment. Mark explained that these risks applied to most local authority audits because of the significant sums of money involved. Any error in valuation could be a potential risk.

Councillor Cunningham asked if there was anything within the plan which could be seen as a future problem for the Council. Mark explained that the external auditor's opinion was designed to counter this and if there were any foreseen problems they would be brought to the Council's attention immediately.

IT WAS AGREED

That the report be noted.

40. Internal Audit Quarter 3 Progress Report

Members received for information details of the work undertaken by Internal Audit for the period 1st October to 31st December 2017.

Councillor Lishman said that it would be useful within the details of the audits within Appendix 1 to show if the key actions had been carried out or when they were anticipated to be completed. Ian Evenett agreed that summary form could be altered to incorporate this.

Louise Gaskell asked if the internal audit team was confident that actions in respect of the Data Protection regulations were on target for the May deadline. Ian Evenett said Burnley Council would be as prepared as possible given the complexities of elements of the regulations and that all local authorities were faced with the same challenges. He highlighted work that was being carried out in preparation for the new regulations, including face to face sessions with key staff to ensure their service areas were aware of the changes to data protection and that all staff were required to complete an on-line learning package on the new regulations.

Councillor Townsend referred to the costs associated with any breaches of the data protection regulations and emphasized the need for service units to ensure that not only new technology implementations were in place but also that the Council's document retention policy was applied to all hard copy documents from years gone by.

Councillor Townsend said that the Audit and Standards Committee had a leadership role to play to ensure that the Council was on track with the data protection regulations and that Committee should receive a position statement at its next meeting.

IT WAS AGREED

- (1) That the report be noted; and
- (2) That a position statement on the Council's implementation of the Data Protection Regulations be brought to the next meeting.

41. Work Programme

The work programme for the remainder of the 2017/18 Municipal Year was noted.

42. Padiham Town Council report

Councillors Jean Cunningham and Andy Tatchell left the room during consideration of this matter.

Councillor Ann Royle – in the Chair

Members were notified that a report in the public interest had been issued to Padiham Town Council by the external auditor BDO Ltd for the failure to submit an annual return on finance and governance arrangements for the year ended 31st March 2017.

It was confirmed that the Town Council had now prepared its accounts and submitted a copy to the council.

Members agreed that ultimately it was the responsibility of all parish and town councillors to ensure their Council's accounts were published on time and asked that a report be brought back to the Audit and Standards Committee on the outcome of the BDO Ltd's audit of Padiham Town Council's accounts to be reassured that matters were now in order.

Members also discussed how Burnley should manage the risks around grant payments to these bodies.

IT WAS AGREED

That a report be brought back to Committee on this matter.