



AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Thursday, 14th December, 2023 at 6.30 pm

PRESENT

MEMBERS

Councillor Margaret Brindle, In the Chair.

Councillors A Raja (Vice-Chair), G Barton, Hall and A Wight

OFFICERS

Amy Johnson	– Finance Manager
Ian Evenett	– Internal Audit Manager
Heather Bullock	– Procurement and Information Officer
CJ Walmsley	– Democracy Officer

CO-OPTED MEMBERS

Councillor Kathryn
Haworth
David Swift

EXTERNAL AUDITORS

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

New Members of the Committee were welcomed by the Chair, and thanks given to retiring Members.

29. Apologies

Apologies for absence were received from Stuart Arnfield.

30. Minutes

RESOLVED – That the minutes of the last meeting held on 28th September 2023 be approved as a correct record and signed by the Chair.

31. Additional Items of Business

There were no additional items of business to be considered.

32. Declarations of Interest

There were no declarations of interest on any items of the agenda.

33. Exclusion of the Public

There were no items of business where members of the public needed to be excluded from the meeting.

34. Public Question Time

No questions, statements or petitions had been received from members of the public.

35. Annual Accounts 2022/23

Further to the draft Statement of Accounts, which were approved by the Committee on 28th September 2023 subject to any material amendments identified during the completion of the outstanding areas of testing that still had to be completed by Grant Thornton, two material amendments had been made which were: -

- Removal of the pension surplus following clarification of the IFRIC14 assessment which now applied to all authorities following the triennial valuation.
- Adjustments between current assets and liabilities on the Balance Sheet. The adjustments net to £0 and did not change the net assets of the authority.

Therefore, the Council's amended audited Statement of Accounts for 2022/23 were submitted to the Committee for formal approval and signature by the Chair. The Committee were also asked to approve the Letter of Representation from the Director of Resources to Grant Thornton with signature from the Chair; and approve the signed 2022/23 Annual Governance Statement.

An update was also provided on the audit findings.

Clarification was given regarding heritage assets in respect of watercolour paintings. The percentage figure in the report related to those on display.

RESOLVED – (1) That the Statement of Accounts for 2022/23 be approved and signed by the Chair and that delegated authority be given to the Director of Resources and Committee Chair for any non-material changes to the audited Statement of Accounts following the conclusion of the outstanding audit matters;

- (2) That the Letter of Representation be approved and signed;
- (3) That the audit findings be noted; and
- (4) That the Annual Governance Statement signed at September 2023 be approved.

36. Auditor's Annual Report on Burnley Borough Council 2022/23

Grant Thornton presented their annual Auditor's report for 2022/23 and highlighted improvement recommendations for financial sustainability, governance and improving economy, efficiency and effectiveness.

Discussion took place regarding the Council's response to these recommendations and how they are addressed in relation to current practice.

RESOLVED – That the report be noted.

37. Arrangements for 2023/24 Annual Governance Statement

A report was submitted on the arrangements to provide assurance for an Annual Governance Statement for the financial year 2023/24. This included a Member self-assessment questionnaire and Officer self-assessment questionnaire, which had been amended to make required answers clearer.

RESOLVED – That the proposed process be approved.

38. Internal Audit Progress Report Q2

A report was submitted that informed Members of the work undertaken by Internal Audit for the period 1st July to 30th September 2023. There had been four Audit Reports produced and details were appended to the report. One additional report was provided to Burnley Leisure and Culture under the service level agreement.

Clarification was sought on weaknesses which the National Cyber Security Centre (NCSC) had reported to the Council. The weakness was corrected within a day.

Discussion took place in relation to the resourcing of Internal Audit, and whilst ideally the delivery of some audits would be speedier, the provision of the opinion by the end of the year would still be achieved.

RESOLVED – That the report be noted.

39. Strategic Risk Register

A report was submitted that updated Members on the current Strategic Risk Register. The major change was the revision of the scoring system. Comments from Members were that

a 5 by 5 score matrix should be used. Management Team had agreed this approach. As a result the previous 3 by 3 matrix had been revised and the new scoring system introduced into the Council's Risk Management Method. The scoring system was used in both the national risk register and in the Lancashire Resilience Forum (LRF) Community Risk Register. The approach would allow greater flexibility in analysis and the score range had increased from 1 to 9 to 1 to 25 which should increase the separation in risk scores.

A labelling error was highlighted in the Register in terms of impact/likelihood. This would be corrected before being submitted to the Council's Executive.

It was felt that in relation to risk reference 15, cost of living crisis, the strategic commitments needed to be strengthened.

RESOLVED - (1) That the report be noted; and
(2) That subject to the discussed amendments, the Strategic Risk Register be recommended to the Council's Executive for approval.

40. Fraud Risk Assessment 23/24

A report was submitted which informed Members of the current fraud trends that affect the public sector.

It was commented that there should be a consistent approach by the Council to check employment applicants on professional membership websites, where applicable.

It was clarified that where services/functions had been outsourced, controls were in place in regards to fraud and corruption.

RESOLVED – That the report be noted.

41. External Review Report

A report was submitted that informed Members of the progress on the External Review of Internal Audit Action Plan. At the request of the Committee, actions in the plan now had a target and completion date to further assist monitoring.

RESOLVED – That the report be noted.

42. Work Programme

Members were asked to note the updated work programme for the current municipal year.

RESOLVED – That the work programme for 23/24 be noted.