



# AUDIT AND STANDARDS COMMITTEE

## BURNLEY TOWN HALL

Thursday, 19th July, 2018 at 6.30 pm

### PRESENT

### MEMBERS

Councillor Paul Campbell, In the Chair.

Councillors J Greenwood (Vice-Chair), D Ferrier and A Tatchell

### OFFICERS

Ian Evenett	– Internal Audit Manager
Asad Mushtaq	– Head of Finance and Property
Howard Hamilton-Smith	– Finance Manager
Imelda Grady	– Democracy Officer

### CO-OPTED MEMBERS

Councillor Kathryn  
Haworth  
Councillor Gill Smith

### EXTERNAL AUDITORS

Marianne Dixon	– Grant Thornton - External Auditor
Mark Heap	– Grant Thornton

#### 1. Apologies

Apologies for absence were received from Louise Gaskell and Councillors Tom Commis, Neil Mottershead, Anne Kelly, Ann Royle and Mark Townsend.

#### 2. Minutes

The Minutes of the meeting held on 7<sup>th</sup> March 2018 were approved as a correct record and signed by the Chair.

#### 3. Additional item of business and order of the agenda

To consider an additional item of business in respect of the membership of the Audit and Standards Committee and at item 13 on the agenda the purpose being to keep the committee membership up to date.

To correct and vary the order of the agenda to

- Move item 11 Padiham Town Council to be last item,
- to take item 8 appendix 2, Audit Findings as a separate item and it be considered alongside Item 8 on the agenda
- to insert a new item 8 appendix 2 , the letter of representation

In accordance with the provision of Section 100(B)(4)(b) of the Local Government Act 1972 the Chair agreed that the additional item of business should be taken and that the order of the agenda be varied as set out above.

#### **4. Declarations of Interest**

Councillor Andy Tatchell declared a prejudicial interest in item 11 – Padiham Town Council report in the public interest. He left the room during consideration of this item and took no part in the debate or vote on the item.

#### **5. The Annual Governance Statement**

The Annual Governance Statement for 2017/18 was submitted for approval.

Members were advised that the statement had been produced in accordance with the proper practice using guidance from CIPFA (Chartered Institute of Public Finance and Accountancy) and SOLACE (Society of Local Authority Chief Executives)

The Statement was supported by assurances statements from members, Heads of Service, Liberata and Senior Management to the Leader and Chief Executive and no issues had been reported.

The Statement provided assurance to the Council's stakeholders that the governance and internal control systems of the Council were robust and the Internal Audit Manager informed the Committee that no weaknesses had been identified and no actions were required to be taken.

The Statement had been signed off by the Council Leader and the Chief Executive and would accompany the Council's Statement of Accounts.

#### **RESOLVED**

That the Annual Governance Statement be approved.

#### **6. Annual Accounts 2017/18 and Audit Findings report**

The Head of Finance and Property presented the audited Statement of Accounts for 2017/18. He said that the statement reflected a small number of changes that had been agreed with the external auditors during the course of the audit and the accounts had been externally verified by Grant Thornton as a true and fair view of the Council's financial position.

The Committee considered the statement alongside the Annual Governance Statement and was satisfied with the governance and internal control environment within which the Statement of Accounts had been prepared.

Members also received the letter of representation from the Head of Finance and Property to Grant Thornton, the external auditors.

In presenting the report the Head of Finance and Property thanked the external auditors for their assistance during 2017/18 and also his staff for their involvement in the preparation of the accounts.

Mark Heap then presented the external auditors Audit Findings report outlining the key messages on the financial statements and value for money arrangements. He said it was to the Council's credit that the accounts had been submitted in good time and with comprehensive documentation. He concluded that the Council had proper arrangements for securing economy, efficiency and effectiveness in the use of its resources and that there were no matters of concern that needed to be brought to the attention of the Committee.

The Head of Finance and Property then asked that the Statement of Accounts 2017/18 and the letter of representation be approved and signed by the Chair.

## **RESOLVED**

- (1) That the audited Statement of Accounts for 2017/18 be approved and signed by the Chair;
- (2) That the letter of representation to the External Auditor from the Head of Finance and Property be approved and signed by the Chair and the Head of Finance and Property; and
- (3) The findings of the external auditor be noted.

## **7. Internal Audit Opinion 2017/18**

The Internal Audit Manager presented a report detailing the opinion of the Head of Finance and Property as the Chief Audit Executive, on the internal controls of the Council for the financial year 2017/18.

He confirmed that the controls of the Council continued to operate effectively, including compliance with policy, separation of duties, authorisation, monitoring and internal checks.

## **IT WAS AGREED**

That the report be noted.

## **8. Governance of Strategic Partner 2017 18**

The Internal Audit Manager reported on the governance of the Council's Strategic Partner during 2017/18.

He detailed the various strategic, operational and service level meetings that had taken place during the year between the Council and its Strategic Partner to ensure that the partnership was aligned with the Council's objectives and continued to meet both partner's needs.

He confirmed that there were no issues of concern to report and that the arrangements were effective.

The key performance indicators (KPI) and performance indicators (PI) had been audited and no significant issues had been identified.

### **IT WAS AGREED**

That the report be noted.

## **9. Code of Conduct Review**

The Democracy Officer presented a report seeking the Committee's endorsement of a review of section 5.1 of the Council's Code of Conduct in relation to complaints against council members and the changes required to ensure the arrangements were fit for purpose.

A periodic review of existing arrangements had identified some changes which would be beneficial to the complaints process, including timescales for investigations, keeping members informed on progress of an investigation, conduct of officers and members during an investigation and the adoption of a hearing procedure (as attached at Appendix 1 to the report).

The Committee in endorsing the changes said that they would provide a better and more efficient process for dealing with member complaints.

### **RESOLVED**

- (1) That the Council's Member Complaints Procedure Guidance at 5.1 of the Constitution be updated in relation to investigation timescales, the maintenance of the general principles of the code during an investigation; and the inclusion of the appendix detailing the procedures for conducting a Code of Conduct Hearing; and

(2) That Full Council be recommended to adopt these changes.

## **10. Work Programme**

That subject to Annual Audit letter replacing the external audit progress report in September and the external audit plan being moved from March to January, the work programme for 2018/19 was noted.

## **11. Appointment of Co-optees to the Committee**

The Democracy Officer reported that Paul Prior, Director of Finance and Resources at Burnley College had accepted the offer to be an independent co-optee on the Audit and Standards Committee to replace Colin Crowther.

She further reported that Louise Gaskell, Director of Finance and Policy at East Lancs Chamber of Commerce had agreed to continue to serve on the Committee as an independent co-optee and that Gillian Smith of Cliviger Parish Council had also agreed to serve a further term as a parish representative co-optee.

### **RESOLVED**

That Full Council be recommended to ratify the appointments.

## **12. Padiham Town Council Report**

Members were informed that Padiham Town Council had been unable to provide its external auditor with a return for 2016/17 and consequently there was no external auditor's audit opinion for that year.

The Town Council had been impacted by flooding at Padiham Town Hall in December 2015 but had submitted a return for 2015/16. The 2015/16 return had identified a governance issue of there being no risk assessment which was highlighted as a weakness along with other budgetary issues.

An annual return covers four principles elements of an annual governance statement, an accounting statement, an external auditor's examination and an Internal Auditors annual report.

The Town Council had appointed a new member of staff, Padiham's First Officer and had provided and published the accounts for 2017/18. A new internal auditor had been appointed.

Members accepted that Padiham had had difficulties but that it was moving forward and was satisfied that the new accounting regimes put in place would be adequate.

### **IT WAS AGREED**

That the report be noted.