



AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Wednesday, 4th March, 2020 at 6.30 pm

PRESENT

MEMBERS

Councillor Paul Campbell, In the Chair.

Councillors S Graham (Vice-Chair), T Commis, M Lishman, A Newhouse and A Tatchell

OFFICERS

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| Asad Mushtaq | – Head of Finance and Property |
| Ian Evenett | – Internal Audit Manager |
| Imelda Grady | – Democracy Officer |

CO-OPTED MEMBERS

Louise Gaskell
Councillor Kathryn
Haworth
Stuart Arnfield

EXTERNAL AUDITORS

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| Mark Heap | – Grant Thornton |
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38. Welcome

The Chair welcomed Stuart Arnfield, Director of Finance and Resources, Burnley College as the new Independent member of the Committee.

39. Apologies

Apologies were received from Gill Smith.

40. Minutes

The Minutes of the meeting held on 15th January 2020 were approved as a correct record and signed by the Chair.

41. Additional Items of Business

In accordance with the provisions of Section 100 (B) (4) (b) of the Local Government Act 1972 the Chair decided that the following item relating to a Local Resolution should be considered in order for the Committee to be informed in a timely manner.

42. Local Resolution

The Committee received a note of the Monitoring Officer regarding a Local Resolution that had been made in relation to the conduct of an elected member.

The note referred to a protocol that had been put in place and Members were informed that this related to the individual member concerned.

IT WAS AGREED

That the report be noted.

43. Audit Plan 2019-20

Mark Heap from the external auditors present the Audit plan for 2019/20 which provided an overview of the planned scope and timing of the statutory audit of Burnley Borough Council.

He highlighted the significant risks to the Council which were valuation of land and buildings and valuation of the pension fund liability. He reported on the value for money arrangements including some specific risks around financial sustainability and the major capital schemes.

In respect of the timing of the Audit for 2019/20 he reported that it was likely to be September 2020 due to more work being required by the FRC's expectation of improved financial reporting and the auditors requiring to undertake additional and more robust testing. Mark explained that this had resulted in a variation in fees for the 2019/20 audit and some from the 2018/19 audit. He said that under ethical standards these needed to be agreed before work could commence on the 2019/20 and he was in discussions with the Head of Finance and Property.

The Head of Finance and Property said he was disappointed about the later date for the audit sign off and that he would need to see evidence of the additional work undertaken by Grant Thornton before sign off of the increased fees.

Louise Gaskell asked if there were any implications for the Council in the later date of the audit and Mark said that the Council would only need to put a statement on its website regarding the date of the audit.

Councillor Margaret Lishman said that the late notification of the fees had an impact on the Council's budget setting process and the need to get agreement before the new audit could commence was not an acceptable position. Mark said that the Council would be kept informed at each Audit and Standards Committee and that he would also be in regular contact with the Head of Finance and Property regarding identifying any fee variation in a more timely manner in future.

IT WAS AGREED

That the report be noted.

44. Internal Audit Report Q3 2019-20

The Internal Audit Manager presented the work undertaken by the Internal Audit Team for the quarter 3 period 1st October to 31st December 2019.

He reported that there had been 4 Council audit reports produced and 1 for Burnley Leisure.

The performance statistics were detailed in appendix 2 and showed that a number of audits had been started and completed and would form part of a later quarter statistics to be reported.

Other activity included involvement with the Council's Talent Management Scheme, the Renewable Energy Group and updating the Council's Business Continuity Plans.

Councillor Sue Graham asked about the facilities management score of 3 (limited assurance) and the Internal Audit Manager said that a better flow of data reporting between the Council and Liberata was required and that this was being addressed.

In respect to the desktop software the Chair reported ongoing members' problems in accessing ELVIS modules and the Internal Audit Manager said that this was out of the scope of the audit but it would be looked at in the future

IT WAS AGREED

That the report be noted.

45. Strategic Risk Register

The Internal Audit Manager updated members on the current Strategic Risk Register and reported that the assessment of it had required no specific improvement actions.

Councillor Sue Graham asked about the risk of the current corona virus and its inclusion in the register. The Internal Audit Manager said that this was contained in the business continuity section and explained that there was a tier of risk registers with national, local/regional and service level registers. The Council was actively planning for the impact of the virus on staffing and service issues.

Councillor Margaret Lishman said that the Council needed to show this as a major risk in its own right and it ought to be included on the register.

Kathryn Haworth asked if staff had been given basic handwashing training or if any deep cleaning of IT equipment was required. The Internal Audit Manager said that the Council was following the health service guidance and hand sanitisers had been installed in the Council buildings and that Liberata would address the IT issues and any actions required

for cleaning. The Chair asked that all staff and the elected members be informed of the hand sanitisers.

IT WAS AGREED

That the report be noted.

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| 46. Work Programme |
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The Work Programme was noted.