



# AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Wednesday, 17th July, 2019 at 6.30 pm

## PRESENT

## MEMBERS

Councillor Paul Campbell, In the Chair.

Councillors S Graham (Vice-Chair), T Commis, W Khan, A Newhouse and A Tatchell

## OFFICERS

Asad Mushtaq	– Head of Finance and Property
Ian Evenett	– Internal Audit Manager
Salma Hussain	– Internal Auditor
Ilyas Ismail	– Internal Auditor
Imelda Grady	– Democracy Officer

## CO-OPTED MEMBERS

Louise Gaskell  
Councillor Kathryn  
Haworth  
Councillor Gill Smith

## EXTERNAL AUDITORS

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

### 1. Apologies

Apologies for absence were received from Councillor Margaret Lishman.

### 2. Minutes

The Minutes of the meeting held on 6<sup>th</sup> March 2019 were agreed as a correct record and signed by the Chair..

### **3. Annual Governance Statement 2018/19**

The Internal Auditor, Salma Hussain presented the Annual Governance Statement for 2018/19 for approval by the Committee as those charged with governance under the Accounts and Audit Regulations 2015.

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 from Executive members and the Chair of Scrutiny, Heads of Service, Liberata and the Council's Management Team and no issues had been reported. Any minor weaknesses identified in governance had been addressed.

The Statement had been signed off by the Council Leader and the Chief Executive and would accompany the externally audited Statement of Accounts 2018/19.

#### **RESOLVED**

That the Annual Governance Statement be approved.

### **4. Audit Findings Report 2018/19 and Statement of Accounts 2018/19**

Mark Heap presented the external auditors' Audit Findings Report highlighting the key findings on the Council's financial statement and value for money arrangements. He explained that two adjustments had been made to the Statement to take account of the recent 'McCloud judgement' in respect of pension fund liabilities and also a prior year adjustment for the revaluation of a Council asset and the figures had been revised and updated accordingly. 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 and that he was ready to give an unqualified Audit opinion.

Louise Gaskell asked about the pension fund liabilities and if this would impact on the Council's financial position. The Head of Finance and Property explained the McCloud ruling was about age discrimination arising from public sector pension scheme transition arrangements and actuaries had been commissioned to quantify and provide an appropriate estimate to include in the 2018/19 accounts. Marianne Dixon also responded by saying that the formality for final sign-off of Burnley's accounts would occur once the Lancashire Pension Fund had its accounts audit completed which was expected within the next week.

#### **RESOLVED**

(1) That the Statement of Accounts be approved;

- (2) That the draft Letter of Representation be approved; and
- (3) That the findings of the external auditor be noted.

## **5. Internal Audit Opinion 2018/19**

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 2018/19.

He outlined the work that had been carried out during the year and concluded that the controls of the Council continued to operate effectively, complied with policy, separation of duties, authorisation, monitoring and internal checks. Where weaknesses had been identified they had been addressed as part of an agreed action plan and would be monitored for compliance.

### **IT WAS AGREED**

That the report be noted.

## **6. Internal Audit Plan 2019/20**

The Internal Auditor, Ilyas Ismail informed members of the audit planning process for 2019-20 and the Internal Audit Charter and Strategy 2019.

He explained that the Committee was the 'Board' in respect of the Public Sector Internal Audit Standards (PSIAS) and as part of this role it was required to consider approval of a risk based internal audit plan and ensure that the service is delivered effectively and in accordance with proper practices.

### **RESOLVED**

That the Internal Audit Plan and the Internal Audit Charter and Strategy be approved.

## **7. Internal Audit Effectiveness**

The Internal Audit Manager presented a report which considered the effectiveness of Internal Audit and the application of new key standards documents issued by CIPFA (Chartered Institute for Public Finance and Accountancy) on its Local Government Application Note and the Role of the Head of Internal Audit. There were no substantial changes and there were no significant issues to report and he concluded that the service continued to run satisfactorily.

### **IT WAS AGREED**

That the report be noted.

## **8. Work Programme**

The work programme for 2019/20 was noted.