



AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Thursday, 23rd September, 2021 at 6.30 pm

PRESENT

MEMBERS

Councillor Lord Wajid Khan of Burnley, In the Chair.

Councillors H Baker (Vice-Chair), C Briggs, P Campbell, P Chamberlain, B Foster, A Raja and A Wight

OFFICERS

Howard Hamilton-Smith	–	Head of Finance and Property
Ian Evenett	–	Internal Audit Manager
Salma Hussain	–	Internal Auditor
Matthew Woodward	–	Internal Auditor
Imelda Grady	–	Democracy Officer

CO-OPTED MEMBERS

Councillor Gill Smith

EXTERNAL AUDITORS

Georgia Jones

8. Apologies

Apologies were received from Kathryn Haworth and Stuart Arnfield.

9. Minutes

The Minutes of the meeting held on 7th July 2021 were approved as a correct record and signed by the Chair.

10. Additional Items of Business

There were no additional items of business.

11. Exclusion of the Public

There were no items of business which required the public to be excluded from the meeting.

12. Internal Audit Progress Report

The Internal Auditor Salma Hussain, updated members on the work that had been undertaken by the internal audit team for the period 1st April to 30th June 2021.

During the period there had been 2 reports produced and three incident reports, details of which were shown in appendix 1 to the report.

The comparison between actual and planned audits showed that a number of audits had been started but due to timing will form part of later reports to the committee.

The performance indicators for the service showed the number of audit reports produced were 6 against a target of 22. The percentage of high priority actions from audit plans implemented was 100%.

Other activity undertaken by the service included the Internal Audit Plan 2021/22; supporting the Council's business continuity response to the Coronavirus pandemic; assisting with the Annual Governance Statement; and internal audit opinion to Burnley's Leisure Trust as required by the Service Level Agreement.

The vacant auditors position within the service had now been filled.

It was agreed:

That the report be noted.

13. Internal Audit Plan 2021/22

The Internal Audit Manager submitted the proposed Internal Audit Plan 2021/22 (appendix1) and the Internal Audit Charter and Strategy 2021 (appendix 2) for member comment.

The Committee's role as 'the Board' was to consider the approval of a risk based internal audit plan and to ensure that the service was delivered effectively in accordance with proper practices.

Members were reminded that these were being presented slightly later than planned due to the draw on resources during the COVID response period and the audit vacancy in the unit.

Members asked if the Audit Charter and Strategy was the same year on year and the Internal Audit Manager said that it varied slightly every year following risk assessment and the Head of Finance and Property explained that it had not changed substantially from last year but contained some carry forward of risk assessments from the previous year.

Members asked how the number of audit days were allocated to an activity and the Internal Audit Manager said that it related to an assessment of what the depth of an audit would be and a calculation was made around the value of the transaction, the impact on external

parties, management and staff resource factors and the top risk assessments were then whittled down and a decision taken as to how many could be delivered. He also explained that there could be a short audit but with a high priority.

In response to a question as to whether the public were consulted the Internal Audit Manager said that they were not, but that the elected members could influence the plan if there were any areas that they thought were missing. In response to the capacity to carry out an audit under special circumstances the Internal Audit Manager said that they would have to be flexible and an audit may have to be deferred to the following year to accommodate any matter of urgency.

It was agreed:

That the Internal Audit Plan 2021/22 and the Internal Audit Charter and Strategy 2021 be approved.

14. External Audit Plan 2020/21
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The External Auditor presented an update on the planned scope and timing of the statutory audit of the Council.

She said that the Council was operating within a financially challenging environment and highlighted the risks that had been identified around the management override of controls; valuation of land and buildings; and the valuation of pension fund net liability. She reported on the value for money arrangements across the three key areas of finance, governance and performance and indicated the responses of the external auditor would be issued in the Auditor's Annual Report.

Members asked about the External Auditors increased fees and were informed that this was because of additional work that had to be undertaken in relation to value for money and new auditing standards. The Head of Finance and Property said that this had been recognised by Government and additional funding had been made available.

It was agreed:

That the report be noted.

15. Work Programme

The Internal Audit Manager suggested that the terms of reference of the committee detailed in the Council's constitution should be refreshed and added to the March meeting of the committee.

Any other additional items could be added to the workplan as required.

Members asked for the full statement of accounts to be made available to them in order to gain a fuller understanding. The Head of Finance and Property said the Statement of Accounts had been refined and streamlined and published on the Council's website, also an all member briefing on the treasury management and local government finance was provided each year to enable members to better understand the accounts.

It was agreed:

1. That, with the inclusion of the Terms of Reference of the committee being added to the March meeting, the workplan be noted; and
2. That the Head of Finance and Property provide a link to the Statement of Accounts to all members of the committee.