

Minutes of: AUDIT COMMITTEE

Date of Meeting: 20 September 2018

Present: Councillor M Whitby (in the Chair)
 Councillors T Rafiq, R Walker and S Wright

Also in attendance: Rob Jones - KPMG

Public Attendance: No members of the public were present at the meeting.

Apologies for Absence: Councillor M Hayes, Councillor S Nuttall, Councillor
 D Silbiger, Councillor Sarah Southworth and Councillor
 S Walmsley

AU.169 DECLARATIONS OF INTEREST

Councillor S Wright declared a personal interest in any item relating to the Department for Children, Young People and Culture as his wife is employed in a Bury School.

All Councillors declared personal interests in relation to any matters relating to schools of the Borough due to their roles as Schools Governors.

AU.170 MINUTES OF THE LAST MEETING

It was agreed that the Minutes of the last meeting held on 17 July 2018 be approved as a correct record and signed by the Chair.

AU.171 MATTERS ARISING

Councillor Walker referred to the question that he had asked at the last meeting of the Audit Committee in relation to Social Services Care Services and income shortfall. Councillor Walker explained that he had not had a response to the question.

AU.172 MEMBER TRAINING

Ian Davenport, Acting Head of Customer Support and Collections attended the meeting to brief Members in relation to risks around the Welfare Reforms and the work of the Corporate Fraud Team.

Those present were given the opportunity to ask questions in relation to the information provided.

AU.173 QUARTER 1 FINANCIAL MONITORING REPORT

Steve Kenyon, the Interim Executive Director of Resources and Regulation presented a report updating the Committee on the authority's financial position in line with the Committee's Statement of Purpose to 'Provide independent scrutiny

of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment'.

It was reported that the authority is projecting an overspend of £3.176m for the year, based on spending and income information as at 30 June 2018.

It was explained that the Authority's financial position is continually monitored throughout the year, monthly reports are considered by departmental management teams and summaries available to Cabinet Members. A monthly summary is submitted to the Senior Leadership Team and to the Cabinet Member for Finance and Housing.

Quarterly detailed monitoring reports are considered by the Senior Leadership Team, the Cabinet, Joint Cabinet / SLT meetings and the Overview and Scrutiny Committee. These set out a risk assessed summary of the financial position, explanations of major variances from budget, an assessment of the minimum level of balances, information on the forecast balances position and an assessment of performance against the objectives of the Financial Strategy.

The projected overspend of £3.176m represents approximately 2.30% of the total net budget of £138.016m.

An overview of the variance was outlined in the report.

It was reported that due to the extremely difficult financial situation facing the Council, the Senior Leadership Team had agreed and drawn up an action plan with some immediate additional spending controls over and above the usual controls:-

- Recruitment freeze on staff and new agency placements (exceptions to be signed off by SLT);
- Release of all existing casual/agency staff (exceptions to be signed off by SLT);
- Cease overtime/additional hours (exceptions to be signed off by SLT);
- Enter into no new training commitments and review existing training (exceptions to be signed off by SLT);
- Re-launch Work Life Balance options around reduced hours/purchase of leave;
- Cease spend on discretionary budgets; stationery, office equipment etc;
- Cease spend on IT/Communications (exceptions to be signed off by SLT);
- Any spend greater than £250 to be signed off by Executive Director;
- Any new contractual commitments greater than £5000 (lifetime value of contract) to be signed off by SLT;
- Consider "in year" budget options – e.g. previously unidentified efficiencies, review of non key services.

These controls remain in place for 2018/19 and compliance with these is monitored throughout the year

It was explained that the report being presented showed month 3 figures so the situation will have moved on. The month 6 report would be produced over the coming weeks and would show the most recent figures.

Delegated Decision:

That the contents of the report be noted.

AU.174 QUARTERLY GOVERNANCE STATEMENT

Janet Spelzini, Audit Manager presented a report providing Members with a quarterly update on the Annual Governance Statement which had been approved by the Audit Committee at its meeting on July 17 2018.

The report gave an update on the continuous monitoring that was carried out and highlighted any relevant issues with regards to Risk Management, Business Continuity, Budget Monitoring, the work of Internal Audit, the work of the Governance Panel and Sickness levels across the authority's staff.

The up to date Corporate Risk Register was appended to the report and informed Members of the risk event and status. It was explained that the Risk Register had been updated to reflect the most current high level risks facing the organisation.

Those present were given the opportunity to make comments and ask questions and the following points were raised:

- Councillor Walker referred to the Governance Panel and asked what areas this group covered.

It was explained that the Group considered financial controls but also looked at other areas such as GDPR.

- Councillor Walker asked why there were 4 months between the meetings of the Risk Management Group.

It was reported that the group could meet at any time it was required to. The risk registers are live registers and are updated regularly.

Delegated decision:

That the contents of the report be noted.

AU.175 RISK MANAGEMENT ANNUAL REPORT 2017/2018

The Interim Executive Director of Resources and Regulation, Steve Kenyon, presented a report from Councillor Eamonn O'Brien Cabinet Member for Finance and Housing.

The report provided Members with details of risk management activity that had taken place over the past 12 months. The report also outlined risk management policies and the key issues that would be addressed during the coming financial year.

It was explained that Risk Assessment Action Plan Registers (RAAP's) were used across departments to record identified risks and opportunities and the actions

being taken. The Council's risk management framework was outlined within the report and each of the department's progress against the risks was set out.

It was explained that as well as the department RAAP's there was also the Corporate RAAP which records the Council's most significant risks. The Corporate RAAP is reviewed continually by the Strategic Leadership Team.

Member input was sought via the Corporate Risk Management Group and quarterly reports to the Audit Committee.

Delegated Decision:

1. That the Audit Committee re-affirms its support for the Council's approach to Risk Management.
2. That the progress made throughout 2017/2018 and the actions planned for 2018/2019 be noted.

AU.176 ANNUAL AUDIT LETTER 2017/2018

Rob Jones Audit Director - KPMG presented a report summarising the outcome from the local audit work in relation to the 2017-2018 audit year.

The report is intended to communicate key messages to key external stakeholders including members of the public and will be placed on the Council's website.

The report contained information in relation to the Audit Certificate and the Audit Fee.

Delegated decision:

1. That the contents of Annual Audit Letter be accepted.
2. That the Audit Committee's thanks to KPMG be recorded.

AU.177 EXCLUSION OF PRESS AND PUBLIC

Delegated decision:

That in accordance with Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following items of business since they involved the likely disclosure of exempt information, relating to any action taken, or to be taken in connection with the prevention, investigation and prosecution of crime.

AU.178 INTERNAL AUDIT PROGRESS REPORT

The Audit Manager presented a report updating Members on the work being carried out by Internal Audit, as measured against the Annual Plan for 2018/19. Appended to the report were details of work carried out and audit reports issued, and any significant items were highlighted in the report.

Delegated decision:

That the report be accepted.

AU.179 MEMBERS' FEEDBACK

The Audit Manager presented a report providing feedback to Committee Members in the form of responses to specific issues raised in relation to Audit Reports and queries. This included; details of cash transactions on large cash transactions and by providing follow-ups to audit that had been revisited since the Audit Committee meeting in July 2018.

Delegated decision:

That the contents of the report be noted.

COUNCILLOR M WHITBY
Chair

(Note: The meeting started at 7.00 pm and ended at 8.20 pm)