

**Minutes of:               AUDIT COMMITTEE**

**Date of Meeting:**   20 November 2018

**Present:**               Councillor M Whitby (in the Chair)  
Councillors M Hayes, D Silbiger, Sarah Southworth,  
R Walker, S Walmsley and S Wright

**Also in  
attendance:**

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

**Apologies for Absence:** Councillor S Nuttall and Councillor T Rafiq

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**AU.238       DECLARATIONS OF INTEREST**

Councillor Sarah Southworth declared a personal interest in any item relating to Six Town Housing as she is a Member of the Board of Directors. She also declared a personal interest in any item relating to Persona and Townside Fields as her husband's accountancy business has been awarded the contract to audit both companies.

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. He also declared a personal interest in any item relating to Six Town Housing as he is a member of the Board.

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

**AU.239       MINUTES OF THE LAST MEETING**

It was agreed that the Minutes of the last meeting held on 20 September 2018 be approved as a correct record and signed by the Chair.

**AU.240       AUDIT COMMITTEE TRAINING - PROPERTY STRATEGY**

Alex Holland, Head of Property and Asset Management attended the meeting to brief Members on the Property and Asset Management Strategy.

The information provided covered operational buildings, investment property and commercial property.

Those present were given the opportunity to ask questions and make comments.

**It was agreed:**

That Alex be thanked for his presentation.

**AU.241       BURY MBC - AUDIT PROGRESS REPORT - MAZARS**

Karen Murray and Ian Pinches from Bury's newly appointed external auditors, Mazars attended the meeting to update Members on the progress made with their Audit work.

It was explained that Mazars had met with senior Finance Officers to discuss audit progress for 2018/2019 and to agree timescales for the completion of the work.

Mazars were also working with KPMG to handover the audit and ensure a smooth transition.

**Delegated decision:**

1. That the contents of the report be noted.
2. That Karen and Ian be welcomed to Bury.

**AU.242 FINANCIAL MONITORING REPORT**

Steve Kenyon, Interim 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 £3.589m for the year, based on spending and income information as at 30 September 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.

Quarterly detailed monitoring reports are considered by the Senior Leadership Team, the Cabinet, Star Chambers 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.

It was explained that the projected overspend of £3.589m represents approximately 2.60% of the total net budget of £138.016m, and compares to an overspend of £3.176m at quarter 1, and £3.589m the same point in 2017/2018.

An overview of the variance was outlined in the report.

It was reported that due to the extremely difficult financial situation facing the Council in 2018/2019 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.

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

- Councillor Silbiger referred to the delayed delivery of cuts set out within the report and asked why the delivery continued to be delayed.

It was explained that this was due to organisational capacity as well as external factors. Also Council services provided were demand led.

- Councillor Silbiger asked whether there was a way to build the overspend into the forecast.

It was explained that the forecast should be about actual figures rather than predicted or forecast.

- Councillor Sarah Southworth referred to the income shortfall and asked what work was being carried out around this.

Steve explained that the Business Growth and Infrastructure Directorate would be focussing on growth across the Council from both council tax base and business rates.

#### **Delegated decision:**

That the contents of the report be noted.

#### **AU.243 QUARTERLY GOVERNANCE STATEMENT - APRIL 2018 - SEPTEMBER 2018**

The Head of Financial Management 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 Risk Management Group was due to meet on 28 November to review the Corporate Risk Register. The risk register will be updated to reflect the latest high level risks facing the organisation. It was reported that the updated register will be circulated to Members following the meeting.

**Delegated decision:**

That the contents of the report be noted.

**AU.244 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.245 INTERNAL AUDIT PROGRESS REPORT**

The Head of Financial Management submitted a report briefing the Committee Members on the work being carried out currently by Internal Audit in line with the Annual Audit Plan 2018/2019.

Details of work undertaken and Audit Reports issued were included in the report with significant issues highlighted. This included work carried out against the approved plan, detailing final reports issued since the last Audit Committee meeting and a suite of performance indicators.

**Delegated decision:**

That the contents of the report be noted

**AU.246 MEMBERS' FEEDBACK**

The Head of Financial Management submitted 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 over £1,000 and by providing follow-ups to audits that had been revisited since the Audit Committee meeting in September 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 8.30 pm)**