

Minutes of: AUDIT COMMITTEE

Date of Meeting: 2 June 2020

Present: Councillor M Whitby (in the Chair)
Councillors S Briggs, R Gold, M Hayes, D Silbiger,
Sarah Southworth, D.Vernon, R Walker and S Wright

Also in attendance: Lisa Kitto, Interim Deputy Chief Finance Officer
Karen Murray, Partner, Mazars
Janet Spelzini, Audit Manager
Mike Woodhead, Joint Chief Finance Officer
Chloe Ashworth, Democratic Services

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

Apologies for Absence: None.

AU.17 DECLARATIONS OF INTEREST

Councillor Sarah Southworth 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.

AU.18 MINUTES OF THE LAST MEETING

It was agreed that the Minutes of the last meeting held on 25 February 2020 be approved as a correct record and signed by the Chair.

AU.19 MATTERS ARISING

Councillor Hayes asked if the Senior Audit Officer is now part of the Senior Leadership team. It was confirmed this has not happened however, the Senior Audit Officer is a part of Senior Finance Team and meeting regularly with Senior Leaders due to the implications of COVID-19.

It was requested that an update on the Empty Property Officer is given, the last budget suggested to appoint one however this has no update yet. It is requested that an update comes to the next meeting on the progress.

AU.20 BURY MBC PROGRESS REPORT

Karen Murray, Partner at Mazars presented the Audit Progress report which provided the Audit Committee with an update on progress made in delivering their responsibilities as the Council's external auditors since the last Audi meeting on

25th February 2020. The report also highlights key emerging national issues and developments including that of Covid-19 which the Committee may find useful.

The biggest change in the report is that the statutory timetable has changed and an update on deadlines for 2019/2020. Submission of draft accounts and Annual Report is now moved from the 31st May 2020 to 31st August 2020 and the submission of final accounts and Annual Report was the 31st July 2020 and is now the 30th November 2020.

Delegated decision:

1. That the contents of the report be noted.
2. That Karen be thanked for her report.

AU.21 LETTER TO MANAGEMENT AND TCWG 2019/20

Mike Woodhead, Joint Chief Finance Officer advised the two letters are standard letters sent out on all audits to gain assurances and those in charge of governance to understand risks.

Nothing in the letter that is out of the ordinary but more to raise awareness that the Committee needs a deep understanding on matters such as fraud, standards of conduct across the Council, compliance with laws and regulations and litigation or claims.

Councillor Hayes requested clarity on what a 'related party transaction' is. It was confirmed this is a transaction is where all parties are listed where the Council may have transactions with businesses that are owned or have an interest in Council members or where the Council has transactions with third part bodies such as the CCG. The purpose of this is to remain transparent regarding conflicts of interest.

Councillor Hayes also sought assurances that the Committee will see the replies of both letters as these are due in by the end of June. The Chair and Mike Woodhead confirmed they are both happy to share their responses with the Committee.

It was agreed:

1. Members note the Letter to Management and TCWG
2. Copies of the responses are shared with the Audit Committee

AU.22 ANNUAL REPORT FOR 2019/20 AUDIT PLAN

Lisa Kitto, Deputy Chief Finance Officer informed the committee this report is a requirement that audit functions need to produce on an annual basis. As part of the assessment and assurance work, must give an assessment of the level of assurance in Local Government. The report is a new format that has not been viewed until now by the committee.

The report provides a sense of all the audit work undertaken over the last 12 months and opinions on each Audits. These all helped the Internal Audit Manager, Janet Spelzini to be satisfied that there is an adequate level of governance across the Council. The report assesses each individual audit on various levels from very good to unsatisfactory. Of the Audits that were done last year 62% of the audits achieved an assessment of adequate or above. However it is recognised that there are multiple others that performed as inadequate or unsatisfactory and this has formed some follow up work conducted in 2019 which is demonstrated in Appendix B. This shows they were followed up and recommendations made and therefore the positions on those audits will now be different due to the work and will be featured as part of the 2020/2021 Audit plan.

The committee sought assurances on whose opinion the report is based. It was confirmed that they are all of the Audit Manager to reach an opinion. He stated concerns with the percentage of unsatisfactory and inadequate along with the issues that are classed as unsatisfactory or inadequate being significant issues.

Lisa Kitto, Deputy Chief Finance Officer advised that the data probably requires more context so clarity on what exactly the topics refer to. The next iteration of this report will consider context to assist.

Delegated decision:

1. That the contents of the report be noted.
2. A summary of audits completed during the year (as per Document Pack Page 34) to be circulated to members.

AU.23 ANNUAL PLAN FOR 2020/21

Lisa Kitto, Deputy Chief Finance Officer presented a report setting out the proposed activities of the Audit Plan for the coming 2020/21 financial year.

The report and the attached appendices set out the overall strategy for producing the plan, dealing with the issues and risks and ultimately identifying the audit work to be carried out in 2020/21.

Progress reports will be submitted during the year and an Annual Report will be presented following the completion of the 2020/21 financial year.

The committee sought assurances of the allocation and control of accessing and appropriately using COVID-19 response funding streams. The committee were advised some funds are ring fenced and some are not, however these have been worked through with the Audit Manager and viewed in a scrutiny process. We are aware there are still potential risks of inappropriate grant requests and fraud prevention is key.

Delegated decision:

That the Audit Committee endorse the plan for 2020/2021.

COUNCILLOR M WHITBY
Chair

(Note: The meeting started at 7.00 pm and ended at 8.00 pm)