

**Minutes of:           AUDIT COMMITTEE**

**Date of Meeting:** 25 January 2021

**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:** Ian Davenport – Customer Support and Collections  
Sarah Janusz – Head of Procurement  
Lisa Kitto – Interim Director of Financial Transformation  
Leona McMillan – CIPFA C. Co  
Karen Murray – Mazars  
Ian Pinches - Mazars  
Jane Spelzini – Internal Audit

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

**Apologies for Absence:**

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**AU.468       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.469       MINUTES OF THE LAST MEETING**

**Delegated decision:**

That the Minutes of the meeting held on 17 November 2020 be approved as a correct record and signed by the Chair.

**AU.470       MATTERS ARISING**

Councillor Walker referred to the Matters Arising Minute within the Minutes of The Last Meeting and the request that he had made for an update on the status of the Empty Property Officer.

Councillor Walker reported that he had not received any information in relation to this and asked if anything had happened in relation to this issue.

Janet Spelzini stated that she would find out if any progress had been made.

**AU.471       2019/20 AUDIT FINDINGS REPORT**

Karen Murray, Partner, Mazars, presented a report setting out the work carried out by Mazars in respect of their audit of the Council's Statement of Accounts, where the work was up to and what the next steps would be.

It was reported that Mazars anticipated giving an unqualified opinion on the Council's Accounts. It was explained that the opinion would be modified in relation to property, plant and equipment valuations for both the Council and the Pension Fund.

It was also reported that it was anticipated that a qualified Value for Money conclusion would be given in relation to the Council's decision making.

The work on the Whole of Government Accounts was not yet completed.

There were no matters to bring to the Committee's attention in respect of wider powers – objections and comments from members of the public.

Karen asked that the Council's Finance Teams be thanked for the hard work that had gone into the production of the accounts and the significant work to improve the standard of the accounts and the way that they were brought together.

It was also reported that the work was behind the deadline but this was due to the resource issues that Mazars were facing and not the Councils teams.

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

- Councillor Walker referred to the issues relating to the Council's decision making and asked what work had been carried out in relation to this.

Karen reported that that there had been a considerable amount of work carried out in relation to the Council's Constitutions and this had a new Council Constitution had been approved by the Council at its meeting in November 2020.

- Councillor Vernon referred to the Dedicated Schools' Grant and the safety valve arrangement and asked what this was.

Lisa Kitto explained that it was a national programme that targeted the top 5 or 6 authorities with the biggest deficit and would be a helpful intervention from the DFE. It was not yet known what it will look like but information will be provided to the Committee when available.

**Delegated decision:**

1. That the contents of the report be accepted.
2. That the thanks of Mazars to the Council's Finance Teams be noted

**AU.472 2019/20 STATEMENT OF ACCOUNTS**

Lisa Kitto, Interim Director of Financial Transformation explained that the 2019/2020 Accounts were not in a position to be officially signed off by the Audit

Committee as some adjustments were being undertaken following the work of the external Auditors.

It was anticipated that the accounts would be available by the end of the month.

It was explained that the Committee could delegate approval to the Chair of The Audit Committee or request another meeting of the Audit Committee be convened to receive the Statement of Accounts.

Councillor Whitby, Audit Committee Chair suggested that as soon the Statement of Accounts were available, they should be distributed to the Audit Committee Members to enable Members to raise any issues during the following week. If Members of the Committee did not require a meeting following receipt, the Chair of the Audit Committee would be delegated to approve them.

**Delegated decisions:**

1. That the Audit Committee be given a week to review the Statement of Accounts.
2. That the Chair of the Committee be delegated to approve the Statement of Accounts on behalf of the Audit Committee.

**AU.473 ANNUAL GOVERNANCE STATEMENT 2020/21**

The Interim Director of Financial Transformation presented a report which set out the proposed timetable to be adopted to compile the Annual Governance Statement for 2020/21.

The preparation and publication of an Annual Governance Statement is necessary to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit Regulations 2015. This report sets out the action plan / timetable to ensure compliance with the production of an Annual Governance Statement for 2020/21.

**Delegated decision:**

Members noted the report and the key activities and dates in compiling the Council's Annual Governance Statement for 2020/21.

**AU.474 ANNUAL GOVERNANCE STATEMENT (AGS) ACTION PLAN UPDATE**

Lisa Kitto, Interim Director of Financial Transformation presented a report setting out the Council's 2019/20 Annual Governance Statement (AGS).

The report sets out the key issues arising from:

- its assessment of its internal governance arrangements;
- its key areas of governance concerns; and
- the actions being undertaken to address them.

The Final AGS was approved by the Audit Committee on 17 November 2020 and Members also noted the 2019/20 AGS Action Plan and its current status.

This report sets out a further update against this Action Plan.

**Delegated decision:**

The Audit Committee note the further progress made towards achieving the AGS Action Plan as set out in Appendix 1.

**AU.475 SCHEME OF DELEGATION AND FINANCIAL LIMITS**

Lisa Kitto reported that the work in relation to the Scheme of Delegation and Financial Limits was ongoing.

An update will be provided at the extra meeting of the Audit Committee which was due to take place in March.

**AU.476 PROCUREMENT CONTRACT PROCEDURE RULES AND PROCUREMENT OVERVIEW**

In November 2020, Council delegated authority to agree changes to both Contract Procedure Rules (CPR) and Financial Regulations to Audit Committee. As part of the process of developing and agreeing new CPRs, the Audit Committee is being consulted on the latest developments, including draft proposals.

The report sets out the draft proposals together with the key changes for consideration and comment by the committee.

Feedback from the committee will be reflected in final proposals that will be presented back to the Audit Committee in March for implementation from 1 April 2021.

CIPFA C. Co has supported the Council in the development of the proposed rules and Leona McMillan gave a short presentation to the Audit Committee to provide further detail and information.

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

- Councillor Briggs referred to the proposed rules and the work that had been undertaken in relation to this and stated that procurement needed to be more transparent going forward.
- Councillor Hayes referred to the requirement for 3 quotes and asked when this would be required.

Sarah Janusz explained that this was the same requirement as was currently in place with a minimum of 3 quotes being required.

- Councillor Walker referred to the tender process and Councillor involvement with this. He explained that he had been involved in the opening of tenders

in the past to ensure an open and transparent process. Councillor Walker asked at what point did Councillors become involved.

Sarah explained that the opening of tenders was carried out through the Chest with a complete audit trail attached to the process, there was no need for Councillors to be involved.

- Councillor Whitby asked whether there was any requirement for IT systems to be updated/upgraded to support the work.

It was explained that there was no requirement for new or upgraded systems.

### **Delegated decisions:**

That the Audit Committee:

1. note the content of the report and provide feedback on the new draft Contract Procedure Rules;
2. Note the presentation from CIPFA C. Co
3. Note that the final draft Contract Procedure Rules will be presented to Audit Committee in March 2021 for final approval prior to implementation from 1 April 2021.
4. Note that an implementation plan for rolling out the processes aligned to the Contract Procedure Rules will be presented to the Audit Committee in March and that this will used to monitor progress for the 2021/22 financial year.

### **AU.477 APPOINTMENT OF INDEPENDENT MEMBER**

the Constitution approved by council on 25 November 2021 provides for an independent member to be co-opted onto the audit committee as a non-voting advisory member of the committee . This person can provide independent assurance and rigour to the work of the committee.

We have a process which involves an external advert requesting applications. We suggest that the Monitoring Officer with the Chair of the Audit Committee and the S151 officer form a panel to review applications with a view to recommending an appointment to council in March.

### **AU.478 INTERNAL AUDIT IMPROVEMENT PLAN UPDATE**

Lisa Kitto, Interim Director of Financial Transformation presented a report setting out the Internal Audit Improvement Plan Update and the next steps for the service.

It was explained that the Council had commissioned an independent high-level review of the arrangements for Internal Audit within the Council. The review used

a mixture of desktop review of key, standard documentation and on-site interviews and review to determine the current state of Internal Audit against best practice and the requirements of the Public Service Internal Audit Standards (PSIAS).

The Final Report identified 14 key lines of enquiry and contained an Action Plan for managers. The report and was presented to the Audit Committee in July 2020 and the Action Plan is attached as Appendix 1, which sets out the current status of the agreed actions and the next steps.

It was reported that there is good progress on all the agreed actions and the next steps for the service have been identified and are underway.

**Delegated decision:**

That the current status of the Internal Audit Improvement Plan and the progress made and the next steps to ensure its completion be noted.

**AU.479 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.480 FRAUD UPDATE - SPOTLIGHT ON BUSINESS GRANTS AND BENEFIT CLAIMS**

Ian Davenport, Acting Head of Service, Customer Support and Collections gave a presentation updating Members on the work carried out to administer the NNDR grant schemes 2020/21 and the work in relation to minimising fraud and carrying out investigations.

**Delegated decision:**

That the content of the presentation be noted.

**COUNCILLOR M WHITBY**  
**Chair**

**(Note: The meeting started at 7.00 pm and ended at 9.20 pm)**