

Minutes of: AUDIT COMMITTEE

Date of Meeting: 30 September 2021

Present: Councillor M Whitby (in the Chair)
Councillors S Butler, U Farooq, I Gartside, M Hayes,
J Rydeheard, M Smith and S Wright

Also in attendance: Lynne Ridsdale, Deputy Chief Executive
Sam Evans, Section 151 Officer
Will Blandamer - Executive Director of Strategic
Commissioning
Adrian Crook - Assistant Director of Adult Social Care
(Operations)
Janet Spelzini – Interim Head of Internal Audit
Marcus Connor – Corporate Policy Manager
Amelia Payton – Mazars
Julie Gallagher – Head of Democratic Services

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

Apologies for Absence:

AU.1 DECLARATIONS OF INTEREST

Councillor Steve Wright declared a personal interest in any item relating to schools in the Borough as his wife is employed at a local school.

AU.2 MINUTES OF THE LAST MEETING

It was agreed:

That the Minutes of the last meeting held on 21 July 2021 be approved as a correct record and signed by the Chair.

AU.3 MATTERS ARISING

Sam Evans Section 151 Officer provided Members of the Committee with an update in respect of the Council's minimum level of balances/financial reserves. CIPFA benchmarking recommends that Councils hold reserves of between five and ten percent, 10% would equate to £17.1 million, the position at March 2022 is the Council current level of reserves are circa 20%.

On current projections it is expected that by 2023 the levels will be between 11 and 17% this is dependent on delivery of budget savings and the effective operation of the safety valve project.

The Section 151 reported that she will facilitate financial training for all Elected Member prior to the next meeting of the Audit Committee.

AU.4 INFORMATION GOVERNANCE PROGRESS REPORT

Lynne Ridsdale, Deputy Chief Executive and Marcus Connor the recently appointed

Information Governance Manager following consideration of this item at the last meeting, the Deputy Chief Executive provided Members of the Committee with an update. An accompanying report had been circulated prior to the meeting and provided details of the consensual audit of IG practice from the industry regulator, the Information Commissioner's office.

This report:

- sets out the findings of the ICO audit
- provides a Q2 update to the Information Governance workplan
- proposes an improvement plan for adoption, which will also form the work plan for Quarters 3 and 4 2021/22, and
- sets out the requirements for the 2021/22 Data Security Protection Toolkit (DSPT)

A detailed action plan has been developed as a result of the consensual audit by the ICO which had been carried out to provide the ICO and Bury Council with an independent opinion of the extent to which Bury Council, within the scope of the agreed audit, is complying with data protection legislation.

The ICO have made 79 recommendations across the three themes of the audit.

The Audit Committee is responsible for providing assurance on the Council's governance (including risk and information governance) and as set out in the Council's Constitution, is required to annually review the IG requirements.

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

The Deputy Chief Executive confirmed that there had been a lack of corporate oversight of the information governance function as well as a lack of follow up on actions when breaches had occurred. The Corporate Management Team are committed to ensure that Information Governance is an area of focus and has been included in the Risk Register.

Responding to a Member question in relation to the timetable for delivery of the recommendations, the Deputy Chief Executive reported that these are necessary timescales. There is a huge amount of work to be undertaken, the action plan will be subject to a monthly review and if necessary timescales can be reviewed/amended.

It was agreed:

The Audit Committee is responsible for providing assurance on the Council's governance (including risk and information governance) and as set out in the Council's Constitution, therefore this item will be a standing agenda item.

AU.5 MAZARS AUDIT STRATEGY MEMORANDUM

Amelia Payton representing the External Auditors Mazars, presented the Committee with the External Auditor's Strategy Memorandum, for the year ending 31 March 2021. The purpose of this document is to summarise Mazars audit

approach, highlight significant audit risks and areas of key judgements and provide you with the details of the Mazars audit team.

It is a fundamental requirement that an auditor is, and is seen to be, independent of its clients, section 8 of this document also summarises the considerations and conclusions on Mazars independence as auditors.

The report provided information in respect of:

- Engagement and responsibilities
- Audit engagement team
- Audit scope, approach and timeline
- Significant risks and other key judgement areas
- Value for Money
- Fees for audit and other services

Responding to a question from the Chair, the Mazars representative reported that Mazars will provide a team of staff to commence the audit on the 4th October 2021 and to be completed by the end of November 2021. Of the 10 GM audits, Mazars have been instructed to complete, three have currently been signed off.

Delegated decision:

That the report be noted.

AU.6 REDMOND REVIEW

Delegated decision:

The External Auditors will provide an update report at the next scheduled meeting of Audit Committee.

AU.7 RISK REGISTER UPDATE

Following deferment of this item from the previous meeting, Sam Evans, Section 151 Officer presented the risk register for Members consideration. An accompanying report had been circulated to Members prior to the meeting providing information in relation to:

There are currently a total of 114 risks on the departmental risk register, of which 26% (30 risks) are included within the Red Risk Register, split across the departments of the Council as follows:

Department	No. Risks	Low (1-3)	Moderate (4-6)	High (8-12)	Significant (15-25)
BGI	26	2	8	14	2
CC	34	0	3	20	11
CYP	4	0	0	2	2
Finance	22	0	0	16	5
OCO	11	0	0	7	4
Operations	18	1	4	7	6
TOTAL	114	3	15	66	30

All departments have been asked to review their risks and update accordingly, including the addition of a number of new fields. Further work is required in children's services following the peer review and we anticipate that the number of risks on the departmental register will increase following this piece of work.

The work progressed to date reflects progress on the embedding of good risk management practice as part of routine day-to-day delivery, however there is more work to be done and therefore the audit Committee is advised that the following actions will be progressed so that risk remains dynamic:

- Additional information sharing and guidance sessions to be delivered to risk owners on a department by department basis, to support the full population of the risk register template
- Consideration as to whether the domains review and potential re-basing of risks based on new descriptors should be completed at this time
- Areas where information not yet captured to be updated as a priority;
- Risks due for review in October completed accordingly
- Quality Assurance exercise to be undertaken on risks, actions and assessment to ensure register is complete and 'tells the story';
- Risk to be a standing item on department team meetings and Executive Team agenda (monthly)
- Corporate Risk Register extracted and presented to Audit Committee on quarterly basis from November 2021
- Audit Committee to identify a number of risks for 'deep dive' analysis discussion at each meeting

In considering the risk register Members of the Committee raised concerns that there were a number of fields that didn't have action owners as well as a number of areas that did not have a due date for completion. The Section 151 Officer

reported that there is still a great deal of work to do in developing the risk register, a training programme for staff will commence imminently.

Delegated decision:

That the Audit Committee:

- Note the update provided
- Support the approach progressed to date to update the departmental risk registers
- Support the approach that a further corporate risk register will be developed which will incorporate not only departmental risks but overarching organisational risks
- Request the Executive team review the areas without an action owner and or a completion date and an updated document be presented at the next Audit Committee
- Identify health and safety and the shortage of HGV drivers as areas for further scrutiny and in doing so, the two lead officers for these areas be invited to the next meeting of the Audit Committee scheduled to be held on 25th November 2021

AU.8 COVID GRANTS FINANCIAL SUPPORT

A Covid Grants Financial Support report that had been prepared for consideration at the Overview and Scrutiny Committee was shared with Members of the Audit Committee for their oversight. The report provided details of:

- Support for Expenditure as a result of Covid-19
- Support for Income Loss as a result of Covid-19
- Covid-19 Support for Business
- Analysis of Grants Received in 2020/21 as a result of Covid -19

Responding to a Member's question, the Section 151 Officer reported that the term unspent grants relates to those grants not claimed by businesses within the Borough. The Council continues to work proactively to contact business to ensure if they are entitled to a grant they receive it.

The Section 151 Officer reported that not all loss of income would be re-imbursed by central government and the Council will only be able to recover 75% of 95% of the budget. There remains elements of some baseline expenditure that will not be funded.

In response to a Members question in relation to loss of Council Tax income of £2.3 million; the Section 151 Officer reported that that the charge deficit could be recouped over three years. The Council remains optimistic that they will be able to recover the majority of the monies, the bigger challenge remains with the collection of Business Rates.

Delegated decision:

That the report be noted and further report will be considered at the next meeting of the Audit Committee.

Further information in respect of a breakdown of spend in relation to;

- the £ 15.4 million pounds of funding, Covid Marshalls, Community Champions and Local Election funding will be provided to Members of the Committee

AU.9 INTERNAL AUDIT UPDATE

Janet Spelzini, Acting Head of Internal Audit presented a report setting out the progress to date against the annual audit plan 2021/22. The report enables Members to monitor the work of the Internal Audit service, raise any issues for further consideration and also provide an opportunity to request further information or to suggest areas for additional or follow up work.

The Acting Head of Internal Audit reported that the majority of work outstanding from the 2020/21 plan has now been completed and work on 2021/22 plan is progressing.

Ten reports have been issued to Members since the beginning of the financial year, one report with a Limited assurance has been issued to date. This report will need to be considered within the Annual Governance Statement produced at the end of the financial year 2021/22.

In reviewing the plan Members of the Committee requested that:

- An update on the information obtained via the whistleblowing hotline
- If the proposed highway maintenance review could be brought forward
- the scope of the complaints review be broadened to include waste management complaints.
- Details of the scope of the internal review in respect of the Unit 4 - Land and Property Valuations be shared with the Audit Committee

Delegated decision:

That the contents of the report be noted

AU.10 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.11 INTERNAL AUDIT PROGRESS REPORT

Janet Spelzini presented a report setting out the work undertaken by Internal Audit between 1st April 2021 to 10th September 2021 to the end of quarter 2 2021/2022.

Appended to the report was a list of the Internal Audit Reports that had been issued and recommendations that had been made.

Delegated decision:

That the contents of the report be noted

AU.12 INTEGRATED COMMUNITY EQUIPMENT STORES

Will Blandamer - Executive Director of Strategic Commissioning and Adrian Crook - Assistant Director of Adult Social Care (Operations) attended the meeting to update and provide assurance to Members following the internal audit review of the Integrated Community Equipment Stores.

Delegated decision:

That the contents of the report be noted

AU.13 MEMBERS' FEEDBACK

It was agreed:

- Internal audit reports to be shared with members of the audit committee in one tranche two weeks prior to the Committee dates to be confirmed
- Members to consider shadowing an internal audit review
- Section 151 Officer to scope with the Chair an Annual Report on Fraud

COUNCILLOR M WHITBY
Chair

(Note: The meeting started at 7.00 pm and ended at 8.50 pm)