

Minutes of: **AUDIT COMMITTEE**

Date of Meeting: 1 December 2022

Present: Councillor M Whitby (in the Chair)
Councillors R Bernstein, D Berry, D Duncalfe, I Gartside,
M Hayes and E Moss

Also in attendance: Marcus Connor, Information Governance Manger & Data Protection Officer
Jacqui Dennis, Director of Law and Democratic Services
Sam Evans, Executive Director of Finance, S151 Officer
Roger Frith Strategic Asset Manager
Karen Murray – Mazars
Michael Sellors – Star Procurement
Robert Summerfield - Assistant Director of Regeneration Delivery
Janet Spelzini -Interim Head of Internal Audit

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

Apologies for Absence: Councillor A Arif, Councillor E FitzGerald and Councillor N Jones

AU.1 APOLOGIES FOR ABSENCE

Apologies were received from Councillor A Arif, Councillor FitzGerald and Councillor Jones (Councillor Bernstein attended as substitute)

AU.2 DECLARATIONS OF INTEREST

There were no declarations of interest made at the meeting.

AU.3 MINUTES OF THE LAST MEETING

Delegated decision:

That the Minutes of the Meeting held on 12 October 2022 be approved as a correct record and signed by the Chair.

AU.4 MATTERS ARISING

There were no matters arising from the Minutes of the Last Meeting.

AU.5 AUDIT PROGRESS REPORT

Karen Murray presented a report setting out the progress made by Mazars in relation to their responsibilities as Bury's External Auditors.

It was explained that the work of the External Auditors was substantially complete and there were no issues that the Audit Committee should be concerned about.

The national issue in relation to infrastructure was closer to a resolution . A Statutory Instrument had been laid before Parliament once this had been enacted the work should be able to be carried out. It was expected that Cipfa guidance would be published the first week in January and the Council team will be aware of what needs doing in order that it is completed quickly.

Karen reported that there were a number national publications that the Audit Committee Members may want to have a look at and these were highlighted within the National Publications section of the report.

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

- Councillor Gartside referred to the issue around the infrastructure accounting and the consultation to implement a temporary Statutory Override and asked if Mazars had been in touch with Cipfa in relation to this.

Karen explained that the amendment to the legislation would only apply for a period of time and Cipfa had been tasked to find a permanent solution.

- Councillor Moss referred to the proposed auditor appointments from 2023/2024 and asked when Bury's new external auditors would be announced.

Karen explained that the PSA were due to meet at the end of December to confirm the appointments.

Delegated decisions:

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

AU.6 FINAL ACCOUNTS 2021/2022 - UPDATE REPORT

Sam Evans presented an update on the unaudited 2021/22 Statement of Accounts. It was explained that they presented the financial position for Bury Council as of 31 March 2022.

It was explained that no local authority has been able to complete its audit by 30 November 2022. This is due to a technical issue on infrastructure assets - impacting on all local authorities and preventing their accounts from being fully audited. A resolution to this technical issue is proposed and has been consulted on. However, the resolution awaits the completion of statutory processes, which are expected to be completed by the end of December.

Delegated decision:

The Committee notes current progress to date on the external Audit of the 2021/22 Statement of Accounts.

AU.7 INFORMATION GOVERNANCE UPDATE

Marcus Connor, Information Governance Manager & Data Protection Officer presented a report giving an update on the work that had been carried out in relation to GDPR since the last meeting of the Audit Committee.

The report highlighted improvements in training compliance, performance at responded to requests for information and dealing with data breaches.

While the overall trend shows an increasing awareness of information governance in the Council, it is essential that this momentum is continued. Areas of particular focus over the coming months will be around updating the RoPA and increasing training to managers.

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

- Councillor Gartside referred to subject access requests and asked whether any had gone past a year from request.

Marcus reported that none have gone over a year.

- Councillor Bernstein asked whether there was benchmarking information with the other GM authorities to gauge against.

It was explained that Bury do look at other authorities' performance and Bury was comparable with other LAs

Jacqui Dennis explained that the ICO see it as positive that matters are reported.

- Councillor Moss referred to staff training and asked whether it was all staff across the council.

Marcus explained that every member of staff up to the chief executive was required to carry out the training and if it wasn't completed within the required timeframe the employee would have access to the council network withdrawn.

- Councillor Moss referred to breaches being the highest with the Corporate Core department and asked why this was.

It was explained that the Corporate Core department sent out the most correspondence of all departments within the Council.

- Councillor Moss asked about Councillors sending emails to their own personal email addresses.

It was explained that the Councillors were their own data controllers and were responsible for the data that they held. They were provided with a Council email address and encouraged to use that for council business.

- Councillor Hayes referred to data breaches and asked for examples of these within the office environment.

It was reported that there were many examples such as leaving information on the photocopier, leaving a PC unlocked, leaving a notebook open with information showing. Marcus explained that he did carry out spot checks across the council buildings to remind colleagues to lock computers and lock away sensitive information.

- Councillor Berry referred to the the number of email breaches when looking at the number of emails sent from the council and asked what the figure would be as a percentage.

It was explained that it would be a very small percentage.

- Councillor Gartside referred to the requirement to lock screens when away from a workstation and asked if the message was being cascaded to all.

It was reported that all staff members were required to undertake the mandatory training so were aware of this but were also reminded and it was becoming second nature. Screens were also provided to stop people being able to read over shoulders etc.

- Councillor Bernstein asked that the group leaders be encouraged to remind their members to undertake the GDPR training.

Delegated decision:

That the contents of the report be noted.

AU.8 RISK REGISTER

Sam Evans, Executive Director of Finance presented a report providing an update position with regards to the risks identified and assessed on the Council's Corporate Risk Register which was appended to the report.

A total of 21 risks have been identified as those of a genuine corporate nature and are summarised as follows:

- 21 risks are currently present on the Corporate Risk Register
- 14 risks are currently rated as Significant (risk score 15-25)
- 6 risks are currently rated as High (risk score 8-12)
- 0 risks are currently rated as Moderate (risk score 4-6)
- 1 risk is currently rated as Low (risk score 1-3)

Of these 21 risks: 19 have remained static, 1 has decreased in score, 1 risk is proposed for closure, 1 new risk has been introduced during the Quarter 3 reporting period.

It was reported that since the October meeting of the Audit Committee training had been rolled out by the elections team in relation to picture ID requirements being introduced for voters in the next local election.

Members of the Audit Committee were asked to consider the risks within the report and choose risks to carry out a 'deep-dive' on. During the discussion, the following points were raised:

- Councillor Moss referred to the spreadsheet accompanying the report and asked that the format is reviewed going forward as the document was unreadable in its current format.
- Councillor Moss referred to the regeneration report and stated that the report wasn't very clear.

Sam Evans explained that the report referred to the two levelling up projects and the fact that there were currently significant price increases in relation to the project.

- Councillor Hayes referred to energy prices and public sector decarbonisation schemes and asked if officers were looking at other proposals.

Sam Evans explained that all options were being considered.

- Councillor Gartside referred to the number of red and orange risks within the spreadsheet and stated that he didn't recall seeing a risk register with so many red and orange risks.

Councillor Whitby stated that things were difficult across local government in general as well as other public sector organisations. It was a difficult time for everybody at the moment.

Delegated decisions:

1. That the Audit Committee notes the update provided.
2. That the following risk be considered in more detail at the next meeting of the Audit Committee in March 2023

CR.14 – Staff Safety and Wellbeing
CR.21 – Project Safety Valve

AU.9 CONTRACT PROCEDURE RULES

Sam Evans presented a report setting out proposals for new Contract Procedure Rules (CPR) that will form part of the Council Constitution. As part of the process of developing and agreeing new CPR, the Audit Committee was consulted on the draft proposals in January 2021.

The report set out the final draft proposal. Feedback from the Standards Committee and Audit committee will be reflected in final proposals that will be presented to Full Council on 7th December 2022 for implementation from 1 February 2023.

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

- Councillor Berry asked what STAR procurement was.

It was explained that STAR procurement is a procurement service across 4 Councils. The service had been brought in to give interim support while the procurement team was being recruited to. It also allowed the Council to review its policies.

- Councillor Gartside referred to STAR procurement and asked what the cost was to the Council.

It was explained that the use of STAR came at neutral cost to the Council as it was costing what the staff costs would have been in the procurement team.

It was also explained that the use of STAR procurement whilst establishing a procurement service that was fit for purpose would lead to a cost saving when better control and contract management was in place.

Delegated decisions:

1. That the content of the report be noted
2. The Audit Committee notes that the final draft Contract Procedure Rules will be presented to Full Council in December 2022 for final approval prior to implementation from 1 February 2023
3. That the draft implementation plan be noted.
4. That the draft Procurement Guide be noted.

Please note: Councillor Gartside voted against the recommendations set out within the report

AU.10 INTERNAL AUDIT PROGRESS REPORT

Janet Spelzini presented a report setting out the progress to date against the annual audit plan 2022/23.

It was explained that the report allowed Members to monitor the work of the Internal Audit service, raise any issues for further consideration and provided an opportunity to request further information or to suggest areas for additional or follow up work.

The conclusions drawn from the report were explained as

- The majority of work outstanding from the 2021/22 plan has now been completed and work on 2022/23 plan is progressing.
- Seven reports have been issued to Members since the beginning of the financial year.
- One report within the 2022/23 annual plan has been issued with a Limited assurance to date.

- The report will need to be considered within the Annual Governance Statement produced at the end of the financial year 2022/23.

Delegated decision:

That the contents of the report be noted

AU.11 URGENT BUSINESS

AU.12 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.13 INTERNAL AUDIT REPORTS AND FOLLOW UP

Janet Spelzini presented a report setting out information in relation to final reports that had been issued since the last meeting of the Audit Committee meeting in October 2022.

Delegated decision:

That the contents of the report be noted

AU.14 PROPERTY SERVICES - ESTATES MANAGEMENT

Robert Summerfield Assistant Director of Regeneration Delivery and Roger Frith, Strategic Asset Manager attended the meeting to update and provide assurance to Members following the internal audit review of Estates Property Management.

Delegated decisions:

1. That the update be noted.
2. That the action plan referred to in the update be shared with the Audit Committee.

AU.15 INTERNAL AUDIT REPORT - SPECIAL INVESTIGATIONS

Janet Spelzini, Acting Head of Internal Audit presented a report updating members in relation to Internal Audit Special Investigations reports which have been undertaken to examine significant issues / whistleblowing allegations, raised with the S151 officer.

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 9.35 pm)