

Minutes of: **AUDIT COMMITTEE**

Date of Meeting: 6 March 2024

Present: Councillor M Whitby (in the Chair)
Councillors A Arif, D Berry, I Gartside, M Hayes, E Moss and
M Rubinstein

Also in attendance: Paul McKevitt, Interim Section 151 Officer.
Adrain Crook, Director of Community Commissioning.
Rob Summerfield, Assistant Director of Regeneration Delivery.
Adrian Blackshaw, Internal Audit.
Judith Smith, Internal Audit.
Louise Kirkman, Risk Manager.
Karen Murray, Mazars
Julie Gallagher, Head of Democratic Services.

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

Apologies for Absence: Councillor L McBriar

AU.25 DECLARATIONS OF INTEREST

There were no declarations of interest made at the meeting.

AU.26 MINUTES OF THE LAST MEETING

Minutes of the meeting held on 14th December 2024 be approved.

AU.27 MATTERS ARISING

With regards to Audit Committee meeting Au.17 Manchester Airport share value, Paul McKevitt, Interim Section 151 Officer reported that he has spoken separately to the Council Treasurers at both Oldham Council, as Lead authority and also Manchester City Council who have agreed to raise concerns with BDO.

AU.28 ADDRESSING THE LOCAL AUDIT BACKLOG - CONSULTATION

Mazars representatives present reported that the government have launched a consultation and Joint Statement, progressing the commitments made by the previous Minister for Local Government to work with the Financial Reporting Council (FRC), and other organisations in the local audit system on cross system proposals to clear the backlog and put the local audit system on a sustainable footing.

A significant number of local audits in England are outstanding. The issues facing local audit are widely recognised as multi-faceted and complex. It is widely recognised that many organisations in the local audit system have contributed to the delays experienced since 2017/2018 and that audits have become more challenging, with firms responding to a changing regulatory environment.

The consultation seeks views on proposed legislative changes to the Accounts and Audit Regulations 2015 (the 2015 Regulations).

Mazars are consultees as are the Council. Karan Murray, Mazars representative reported that the position regarding outstanding audits in Bury is not as bad as Council's elsewhere. It is proposed that future audits take a different form instead taking into account and giving more prominence to: value for money, financial sustainability and providing assurance. As yet there is no direction as to what will be reviewed and at what times.

It is imperative however that the workforce issues are addressed; nationally there are only 92 qualified staff to undertake all the Local Authority accounts activity and a number of which are over age of 50 years of age.

The interim Section 151 Officer reported that has impacted the Council's final accounts being signed off, which does not reflect well on the Council but is ultimately out of the Council's control.

It was agreed that:

The update be noted.

AU.29 EXTERNAL AUDIT UPDATE

Karen Murray Mazars representative provided Members with a verbal update on progress on delivering their responsibilities as external auditors.

A number of items previously reported as outstanding remain. Items currently in progress are:

- Confirmation and assessment of the existence of RAAC in Council buildings and the impact on the financial statements
- Mazars have commenced work on the Council's value for money arrangements. The Auditors plan to complete and report the Value for Money arrangements work alongside the remaining aspects of work on the financial statements.

Members expressed their concerns in further delays in the Council accounts receiving final sign off.

It was agreed that:

1. The Mazars representatives be thanked for their attendance.
2. The Draft Final Accounts would be shared with members of the audit committee prior to sign off. Members of the audit committee will forward comments to the Interim Section 151 Officer and the Chair prior to their consideration of the draft final accounts.
3. Once comments are received, the Chair of the Audit Committee has delegated authority to sign off the Final Accounts in consultation with the Interim Section 151 Officer.

AU.30 INTERNAL AUDIT STRATEGY AND PLAN 2024/25

In the absence of the Head of FAIR, the interim Section 151 Officer updated members on the Council's Internal Audit Annual Strategy and Plan for 2024/25.

The internal audit strategy aims to add value to the Council and stakeholders by providing objective and relevant assurance, and contributing to the effectiveness

and efficiency of governance, risk management and control processes. Audit reports will provide audit analyses, findings and recommendations.

As accompanying report circulated ahead of the meeting provided information in respect of:

- Role of internal audit
- Corporate processes
- Vision, purpose and values
- Service Areas
- Plan for 24/25 and delivery
- Other risk areas

The interim Section 151 Officer reported, Work undertaken as part of the Audit Plan will assist the Head of Fraud, Audit, Insurance and Risk to form an opinion on the Council's system of internal control, risk management and governance along with assisting the Council to achieve its stated objectives and informing the Annual Governance Statement.

It was agreed that

- Members note the contents of the report
- Members approve the annual audit plan for 2024/25
- Future housing audit reports will be considered at the Audit Committee.

AU.31 INTERNAL AUDIT PROGRESS REPORT

The Interim Section 151 Officer attended the meeting and provided an overview of the progress to date against the annual audit plan 2023/24.

The report enables Members to monitor the work of the Internal Audit service, raise any issues for further consideration and provide an opportunity to request further information or to suggest areas for additional or follow up work.

The conclusions drawn from the report are:

- The majority of work outstanding from the 2022/23 plan has now been completed and work on 2023/24 plan is progressing.
- Sixteen reviews have concluded, and reports have been issued to Members since the beginning of the financial year. Eight reports relate to the 2022/23 annual audit plan and were considered when formulating the annual audit opinion for 2022/23. Eight reports relate to the 2023/24 annual audit plan.
- Work on 2023/24 plan is progressing. Fourteen reviews are ongoing, five reviews are at draft report stage.
- Three follow up exercises and four second follow up exercises have been completed since Audit Committee met in December 2023.

It was agreed that

- Members note this report and the work undertaken by Internal Audit

AU.32 RISK REGISTER

The Council's Risk Manager presented the Audit Committee with an updated position with regards to the risks identified and assessed on the Council's Corporate Risk Register.

These risks have been considered by the Executive Team as those with the potential to disrupt the Council's strategic objectives and service delivery.

A total of 23 risks are present on the Corporate Risk Register and have been identified as those of a genuine corporate nature and are summarised as follows:

- 16 risks are currently rated as Significant (risk score 15-25)
- 7 risks are currently rated as High (risk score 8-12)
- 1 has increased in score
- 1 has decreased in score
- 15 have remained static
- 3 have not been reviewed in the last reporting period
- 3 have been newly introduced
- 1 risk on the Corporate Register is proposed for closure.

It was agreed that:

1. Members note this report and appended risk register and risk matrix.
2. Risks CR1 and CR19, receive a "Deep Dive" presented at the next meeting of the Audit Committee.
3. CR31 Staff Wellbeing & Absence deep dive will be considered at the next meeting.

AU.33 IG UPDATE

The Head of Democratic Services attended the meeting and provided members with an update in respect of Information Governance across the organisation.

The Head of Service reported that Information Governance (IG) is the strategy or framework for handling personal information in a confidential and secure manner to appropriate ethical and quality standards.

This report highlights improvements in training compliance, performance at responding to requests for information and dealing with data breaches.

- Subject Access Requests - From October 2023 to the end of January 2024 we received 80 SARs (across the Council).
- Data Breaches - From October 2023 to January 2024 we received a total of 35 breaches.
- Complaints upheld by the ICO - There are no complaints upheld by the ICO, and no issues reportable to the ICO.

The Head of Service reported that a spreadsheet of non-compliant officers is regularly considered by IG Officers, the Exec Team, and the Corporate Governance Group. The officers' names are highlighted to Executive Directors and Assistant Directors to ensure training is completed in the following two weeks where possible, and reasons why are fed back when not.

It was agreed that:

The update be noted and regular Information Governance updates will be considered at future Audit Committee meetings.

AU.34 DISCRETIONARY GRANT REPORT

The Head of Democratic Services attended the meeting and provided members with an update in respect of the Elected members discretionary grant scheme.

The head of service reported that An annual allocation of £1000 is made to each Elected Member in May of each year, this must be used to directly benefit their where projects are identified which have a wider benefit, contributions can be made to jointly fund schemes or borough wide organisations.

Each Elected Member in the Ward will have their own allocation, but at their request and following agreement with other ward Councillors, these funds can be combined to work on a Ward or borough basis.

In May 2023 all Councillors accounts were credited up to £1000 and Councillors were sent an email to confirm this had been done. There has been significant advances in Member take up and Member engagement in the scheme. All Councillors have spent their discretionary grant allocation for 2023/2024 as of 29 Feb 2024.

A by ward list of recipients benefiting from the scheme is attached at Appendix 1 Examples of schemes that have been supported is provided at Appendix 2.

It was agreed:

That the update be noted.

AU.35 EXCLUSION OF PRESS AND PUBLIC

That the press and public be excluded from the meeting under Section 100 (A)(4), Schedule 12(A) of the Local Government Act 1972, for the reason that the following business involves the disclosure of exempt information as detailed against the item.

AU.36 INTERNAL AUDIT REPORTS

Members note the content of the report.

AU.37 INTERNAL AUDIT SPECIAL INVESTIGATIONS

Members note the content of the report.

AU.38 FRAUD PLAN 23.24

Members note the content of the report.

AU.39 FRAUD 24.25

Members note the content of the report.

COUNCILLOR M WHITBY
Chair

(Note: The meeting started at Time Not Specified and ended at 9.20pm)