

Minutes of: AUDIT COMMITTEE

Date of Meeting: 8 April 2025

Present: Councillor E Moss (in the Chair)
Councillors A Arif, S Arif, R Bernstein, D Berry, E FitzGerald,
M Hayes and M Rubinstein
Independent Members Benjamin Thomas and David Webster.

Also in attendance: Adrian Blackshaw – Senior Auditor
Jacqui Dennis – Director of Law and Democratic Services
Louise Kirkman – Risk Manager
Neil Kissock, Director of Finance
Neil Long – Director of Operations
Karen Murray – Engagement Partner, Forvis Mazars
Judith Smith – Senior Auditor
Janet Spelzini – Head of Fraud, Audit, Insurance and Risk
Kate Waterhouse - Executive Director (Strategy &
Transformation)

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

Apologies for Absence: Councillor S Haroon and Councillor S Haroon and
Councillor J Hook

AU.63 APOLOGIES FOR ABSENCE

Apologies were recorded above

AU.64 DECLARATIONS OF INTEREST

There were no declarations of interest made at the meeting

AU.65 MINUTES OF THE LAST MEETING

It was agreed:

That the Minutes of the last meeting be approved subject to the following inclusion:

AU.51 2003/2004 ACCOUNTS

- Councillor Moss referred to a change in the VFM arrangements relating to RAAC and asked if this would be reflected in the document. The Engagement Partner, Forvis Mazars stated that this would be reviewed and amended in the document.

AU.66 MATTERS ARISING

Councillor Moss referred to a question that had been raised by Mr Webster in relation to the Information Governance Report regarding comparisons of timescales to clear SAR and FOI requests across GM.

Mr Webster stated that he had requested this information be included in the reports going forward.

AU.67 UPDATE ON TRAINING

Councillor Moss reported that Audit training had been arranged for all elected members to be provided by the Local Government Association at 5.30 pm on May 1st at the Town Hall. All members had been sent a calendar invitation to this.

It was also reported that Audit Committee Specific training had been arranged for 23 July for the Audit Committee as a pre meeting briefing before the next meeting of the Audit Committee on 23 July 2025.

Councillor Moss also explained that training would be provided at 6pm prior to the July meeting of the Audit Committee in relation to finance and the Council budget.

Members of the Committee asked that the pre meeting training be reconsidered due to the meetings lasting until 10pm and if this did go ahead for refreshments to be provided.

It was agreed:

That the training options would be reconsidered, and Members of the Audit Committee would be advised of the decision.

AU.68 CORPORATE RISK REGISTER

The Risk Manager presented a report which provided an updated position with regards to the risks identified and assessed on the Council's Corporate Risk Register.

25 risks were currently present on the Corporate Risk Register and had been identified as those that have the potential to disrupt the Council's strategic objectives and service delivery.

The report presents all relevant information and scoring of these risks, an overview being:

Of the 25 risks,

15 risks are currently rated as Significant (risk score 15-25)

9 risks are currently rated as High (risk score 8-12)

1 risk is currently rated as Moderate (risk score 4-6)

0 have increased in score

4 have decreased in score

19 have remained static

2 are newly introduced

- Councillor Bernstein asked what happened to a risk if a responsible officer left the organisation and hadn't been replaced.

It was explained that the risk would have new risk owners allocated to the risk until a replacement was in post.

- Councillor FitzGerald explained that she was the chair of the Health Scrutiny Committee where different information was shared and risks raised and asked how it could be that the risks that were raised to one committee were different than those within the Corporate Risk Register.

The Risk Manager explained that there were three different levels of risk; service risks, departmental risks and corporate risks. If there were concerns that risks were not included the Risk Manager could check that all risks were pulled through from the service risk registers and the departmental risk registers.

- Councillor Rubinstein asked about the treatment of risks and stated that if a risk were so severe in outcome it could never be reduced in score.

The Risk Manager explained that there would be a level of acceptance associated to all risks which would be mitigated down as far as it could be. There were regular reviews in relation to the potential of something happening in the future to look forward and continuously review risks.

It was agreed that the Audit Committee:

1. Note the report;
2. Receive the Corporate Risk Register at Appendix A
3. Receive the Risk Matrix presented at Appendix B
4. Confirm that the level of assurance provided against the risks is sufficient;
5. Approve the closure of CR21 – Project Safety Valve
6. Confirm that there will be no deep dive at the next meeting of the Audit Committee.

AU.69 MEMBERS DISCRETIONARY GRANTS

The Audit Committee received a report providing an update in relation to the Member's Discretionary Grants scheme.

It was reported that all Elected Members had donated their £1000 discretionary grant in accordance with the scheme.

It was agreed;

That the contents of the report be noted

AU.70 UPDATE ON COUNCIL'S IMPROVEMENT PLAN

The Director of Finance presented a report giving a progress update from the Council to the Statutory Recommendation received from the External Auditor under schedule 7 of the Local Audit and Accountability Act 2014.

It was explained that the Council's external Auditors, Forvis Mazars, presented the outcome of their audit work in relation to their judgements in the area of the Council's Value for Money arrangements for the 2021/22 and 2022/23 financial years to the December Audit Committee meeting.

They identified three significant weaknesses in the Council's arrangements. These weaknesses are across all three reporting criteria that they are required to consider under the Code of Audit Practise, namely; financial sustainability, governance and for improving the economy, efficiency and effectiveness of services.

Forvis Mazars determined that use of their statutory reporting powers under the Local Audit Accountability Act 2014 was necessary and issued a statutory recommendation formally to the Chief Executive on 12 December 2024. They recommended that "The Council should, as a matter of urgency, develop a comprehensive Council wide improvement plan to reflect the transformation and cultural change needed across all departments, to ensure the Council can deliver the range, level and quality of services that it deems appropriate and within its statutory responsibilities in a financially sustainable way. Appropriate management and member oversight is required to ensure the improvement plan is delivering changes that are embedded into the organisation." A response was provided by the Council to the January 2025 Audit Committee meeting which included the publication and approval of an improvement action plan which was also subsequently approved at Council.

It was explained that there had been significant progress made within the expected target dates across the plan.

The plan was split into the following areas

- Financial Resilience (including financial strategy)
- Finance Capacity and Transformation (mostly concerned with the finance restructure)
- Governance and compliance including Estate Management and Leadership and Governance Arrangements

Finance resilience - Actions due to be complete by quarter 4 had been completed. Budget timetable for 2025-26 including plans for zero based budget approach had been agreed. Development of budget proposals for 2026-27 on track for October 25 deadline.

Finance Capacity and Transformation – All actions complete or on track apart from recruitment to phase 1 of the finance restructure as awaiting completion of 30 day consultation.

Governance and Compliance – All actions complete or on track for associated deadlines. All assurance boards set up and have met with agreed terms of reference and forward work plans. Highlight reporting from the boards is being reported at ELT and Members Assurance Group.

It was explained that the only outstanding item was in relation to the required RAAC surveys of the Council's estate. All RAAC assessments and surveys had been completed including council owned buildings with leases under 30 years and no further RAAC risk identified. There are also a number of buildings that are on longer land leases of above 30 years which are not Council owned and have therefore been determined not to be the responsibility of the Council in terms of maintenance, insurance and in undertaking RAAC risk assessments. For completeness, work is being undertaken on a sample of longer land leases in April to confirm this position.

Members of the Audit Committee were given the opportunity to ask questions and make comments and the following points were raised:

- Councillor Bernstein referred to the fact that there were no elected members present at the meeting to answer questions in relation to the report and stated that he felt this was disappointing as it should be member led and owned.

Councillor Moss reported that the Leader and Councillor Thorpe would be attending the next meeting of the Audit Committee in July.

The Director of Finance explained that there had been strong progress made and oversight with Members. The Leader and Cabinet Member had confirmed attendance at the July meeting.

It was also reported that the Improvement Plan will be reported to the Overview and Scrutiny Committee.

- Councillor FitzGerald referred to the finance restructure and the upgrade to systems and budgeting and financial management processes and asked what assurances there were that the plan can be delivered whilst the restructure and upgrades were being done.

The Director of Finance confirmed that they were both big agendas. The Cabinet had awarded the Unit4 upgrade to a consultant with a strong track record in the area. The system was not being moved to an entirely new system but to a cloud system. There was strong governance in place and monthly meetings were being held.

The Director of Law and Governance explained that programme boards had been established and the Director of Transformation reviewed the finance board's delivery. The Board reported to the Executive Leadership Team and the Members' Assurance Groups.

- Councillor Rubinstein referred to the RAAC surveys that had been carried out on all Council owned buildings and asked about the leased to 3rd party buildings being sampled.

Councillor Rubinstein asked how many buildings were involved, how the sampling was being carried out, what would happen if a building did have RAAC and what would happen if a building failed.

The Director of Law and Governance reported that the long leases over 30 years could refer to land with no buildings and land that had multiple agreements associated with it. The Head of Land and Property was working with 2 surveyors who were supported by 2 legal officers to carry out samples relating to age profiles from each decade. These would be reviewed when they reach 30 – 35%. The Work had started and to date nothing had been found that the Council would be responsible for. The work would continue until assurance had been reached.

The Director of Law and Governance explained that all education properties were RAAC free and that schools leased to other voluntary organisations had reported RAAC free to the DFE.

- Councillor Moss referred to the final action in the plan was dated October 2025 but the plan was due to run until the end of February 2026. He asked what would be included towards the end of the plan.

The Director of Finance explained that this would be linked to the ability to build the budget with the Zero Based Budget reporting to the November Cabinet and the 2026 budget being set in February 2026.

It was also explained that the Unit 4 programme upgrade is scheduled for 18 months up to April 2026. This will also need to be factored into the plan. The associated culture change in using the system as it is meant to be used to ensure that it works how it should for the organisation will need to be established through training and supporting the teams using the systems. Workshops had been rolled out and were being well received.

The Director of Finance stated that future committees can consider what happens to the plan and how it moves forward.

- Councillor FitzGerald stated that the people within the organisation were the ones that were pushing the work through and the Council must ensure that that they are looked after and supported.

The Executive Director (Strategy and Transformation) stated that staff welfare was built into the plan with revised PDR and induction processes and documentation and a review of the employee support programme which was available to all employees.

- Councillor Hayes referred to the ongoing consultation in relation to the finance restructure and asked if the response rate was known.

The Director of Finance explained that the responses would not be reviewed until the consultation had closed but the consultation was concerning 4 staff at a higher level within the team.

- Councillor Moss indicated that the actions which sat under the Director of Law and Governance were all completed and asked if this were the case.

The Director of Law and Governance stated that this was correct but there would still be the task of making sure that they were effective, that the highlight reports were capturing the right information and there was a clear line to Members. Effectiveness was being tracked to ensure that there was compliance across the Council.

The Executive Director (Strategy and Transformation) also confirmed that the Council's External Auditors would be monitoring the plan and progress made.

- Councillor Moss referred to the implementation of recommendations from internal audit reports and asked what was being done to ensure that the recommendations were implemented.

The Director of Law and Governance explained that the assurance boards were tracking and monitoring recommendations and if they weren't being completed, they were asking why not. There were fewer recommendations being reported during the second audits.

- Councillor Moss suggested including a revised date in an additional column if a completion date had passed.

It was agreed:

1. That the progress detailed in the action plan update be noted.
2. That the Audit Committee continue to endorse the action plan ensuring Member oversight through Audit and Overview and Scrutiny committees.

AU.71 INTERNAL AUDIT PROGRESS REPORT

The Head of Fraud, Audit, Insurance and Risk (FAIR) presented a report outlining the work undertaken by Internal Audit from 1st January to 28th February 2025 which includes the progress to date to complete the 2024/25 audit plan.

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.

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

- Councillor Moss referred to several items at 2.1.4 of the report being removed from the audit plan and asked whether these would be considered for inclusion in the 2025/2026 audit plan.

The Head of FAIR explained that this was something that would be considered.

- David Webster asked whether the planned audit work in relation to Risk Management and Insurance that had been deferred from the 24/25 plan

and would be reconsidered for inclusion in the 25/26 plan would be carried out and, if so whether an independent reviewer would be employed.

It was explained that the work in relation to these two areas was now being picked up through service plans but if audit work was required in relation to the two areas it would be undertaken by the audit team who would report directly to the Director of Finance.

It was agreed:

1. That the Audit Committee note the report and the work undertaken by Internal Audit.
2. That the Audit Committee approve the changes to the 2024/25 Audit Plan.

AU.72 AUDIT CHARTER 2025/2026

The Head of Fraud, Audit, Insurance and Risk presented a report setting out the Council's Internal Audit Charter.

It was explained that the purpose of Bury Council's internal audit Charter is to define internal audit's purpose, authority, and responsibility.

The Charter establishes the internal audit activity's position within the council and reporting lines; authorises access to records, personnel, and physical property relevant to the performance of audit work; and defines the scope of internal audit activities.

The Charter also covers the arrangements for the appointment of the Head of Internal Audit and internal audit staff, and identifies the nature of professionalism, skills and experience required.

The work of internal audit has been governed by the UK Public Sector Internal Audit standards (PSIAS) since 1st April 2013. The Institute for Internal Auditors have released new Global Internal Audit Standards, that become mandatory for the UK public sector from April 1st, 2025.

Internal Audit is currently adapting its governing documents and other processes to achieve conformity to the new Standards.

As a result, the Internal Audit Charter has been updated using the new public sector model published by the Institute.

The Standards are mandatory for all internal auditors working in the UK public sector.

Internal Audit is subject to external quality assessments every 5 years, and the assessors consider the Charter's conformity with the Standards as part of the work. The most recent review was carried out in 2024.

It was agreed:

That the internal Audit Charter 2025/2026 be approved.

AU.73 AUDIT STRATEGY 2025/2026

The Head of Fraud, Audit, Insurance and Risk presented the Internal Audit Strategy and Quality and Assurance and Improvement Programme.

It was explained that Public Sector Internal Audit Standards (PSIAS) require the formal documenting of a Quality Assurance and Improvement Programme (QAIP). This covers all aspects of the internal audit activity and enables compliance with all aspects of the PSIAS to be evaluated. It is designed to provide assurance that internal audit function performs its work in accordance with the PSIAS. 1.1

The QAIP provides a structure for the assessment of the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. This includes through both internal and external assessments. The requirement for an external assessment of the internal audit activity is at least once in every 5 years. The external assessment has recently been carried out as part of a peer review process, set up by the North West Chief Audit Executives' Group. The assessment team have confirmed that the council's internal audit function partially conforms to the PSIAS and provided some suggestions regarding how the function can further develop and improve.

The work of internal audit has been governed by the UK Public Sector Internal Audit standards (PSIAS) since 1st April 2013. The Institute for Internal Auditors have released new Global Internal Audit Standards, that become mandatory for the UK public sector from April 1st, 2025.

The results of the QAIP must be reported to senior management and the Audit Committee on an annual basis. This is done within internal audit's annual report and opinion.

The release of new Global Internal Audit Standards necessitates updating many of the internal audit functions documents, including the QAIP, in order to maintain conformance with the Standards

The new Standards require the Head of Internal Audit to develop and implement a Strategy for the internal audit function that supports the strategic objectives, the success of the council, and aligns with the expectations of the Audit and Accounts Committee and other key stakeholders. A Strategy document has been produced and was appended to the report.

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

- Ben Thomas referred to the targets set out within the report and asked how realistic the 95% Auditor Utilisation target was.

It was explained that 95% was potentially achievable. The targets need to be achievable but also challenging. It was essential that to meet the targets realistic timeframes were set

AU.74 ANNUAL AUDIT PLAN 2025/2026

The Head of Fraud, Audit, Insurance and Risk presented the Internal Audit Annual Audit Plan 2025/2026.

The report set out the context of the Internal Audit Service and explained the approach to the compilation of the 2025/26 internal audit annual plan.

The plan was appended to the report.

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

- Councillor FitzGerald referred to the resources available to the audit team to carry out the work included within the plan and asked whether cost benefit analysis work was undertaken to show how the work that the outcome of the audit would cover itself similar to invest to save.

The Director of Finance stated that this was something that would be reviewed as part of the zero based budget work.

- Councillor Moss referred to the inclusion of Persona and five schools within the plan and asked why this was when they were not part of the organisation.

The Head of Fraud, Audit, Insurance and Fair explained that Persona had to be audited as part of the agreement with the Council and the schools that were included in the plan were council controlled schools so therefore part of the Audit process.

It was agreed:

1. That the Audit Committee note the contents of the report
2. That the Audit Committee approve the plan based on current resources as set out in the report.
3. That the resources set out within the plan would be reviewed and a report brought back to the October 2025 meeting of the Audit Committee.

AU.75 COUNTER FRAUD PLAN 2025/2026

The Head of Fraud, Audit, Insurance and Risk presented the Annual Fraud Plan 2025/2026.

It was explained that the Fraud Investigators are members of the FAIR (Fraud, Audit, Insurance and Risk) Team. The team comprises two Senior fraud Investigators, one of which is part-time, and one Fraud Investigator.

The plan has been compiled which sets out the work the team aims to deliver throughout 2025/26. The plan is very much based on the teams' experience and knowledge of work undertaken in previous years. It is the intention that the plan will be under continuous review and will be continually developed. The team have contacts within Councils both within the boundaries of GMCA and in other regions in the country.

It was agreed:

That the contents of the report be noted

AU.76 EXTERNAL AUDIT PROGRESS REPORT

A report setting out the progress made to date by the External Auditors, Forvis Mazars was presented to the Audit Committee.

The Business Partner informed that Committee of two publications that were highlighted in the report that it was felt would be beneficial to them.

It was agreed:

That the contents of the report be noted

AU.77 EXTERNAL AUDITORS ANNUAL REPORT

The External Auditor's Annual Report was presented to the Committee.

It was explained that the report was for information and confirmed that the External Auditors, Forvis Mazars, had completed the work in relation to the 2023/2024 financial statements.

It was agreed:

That the report be noted

AU.78 EXCLUSION OF PRESS AND PUBLIC

It was agreed:

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.79 AUDIT INVESTIGATIONS REPORT

A confidential report was submitted for information only on Special Investigations carried out by the Internal Audit Team.

It was agreed:

That the report and information received at the meeting be noted

AU.80 INTERNAL AUDIT REPORTS - FOLLOW UPS

A confidential report was submitted for information and the Committee received a verbal update from the Director of Operations in relation to work that had been undertaken following a follow up report.

It was agreed:

That the report and information received at the meeting be noted

AU.81 COUNTER FRAUD UPDATE

The Committee received a report providing an update on the Annual Counter Fraud Plan 2024/25 and the work undertaken by the Counter Fraud Team during the period 14 December 2024 to 28 February 2025.

It was agreed:

That the report and information received at the meeting be noted.

COUNCILLOR E MOSS
Chair

(Note: The meeting started at 7.00 pm and ended at 10.00 pm)