

**Minutes of:                   AUDIT COMMITTEE**

**Date of Meeting:** 18 September 2017

**Present:** Councillor J Mallon (in the Chair)  
Councillors D Jones, Sarah Southworth, R Walker,  
S Walmsley, Whitby and S Wright

**Also in attendance:** Robert Fenton - KPMG

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

**Apologies for Absence:**Councillor S Nuttall and Councillor D Silbiger

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## **AU.92           DECLARATIONS OF INTEREST**

Councillor Mallon 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 High School.

Councillor Sarah Southworth declared a personal interest in any item relating to Six Town Housing as she is a Member of the Board of Directors. She also 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 both companies.

Councillor Jones 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.

Councillor Whitby declared a personal interest in any item referring to Bury Blind and Partially Sighted People and Communic8te Bury as she is a member of both.

All Councillors declared personal interests in relation to any matters relating to schools of the Borough due to their roles as Councillor Governors.

## **AU.93           MINUTES OF THE LAST MEETING**

It was agreed that the Minutes of the last meeting held on 20 July 2017 be approved as a correct record and signed by the Chair.

## **AU.94           RISK MANAGEMENT ANNUAL REPORT 2016/2017**

The Interim Executive Director of Resources and Regulation, Steve Kenyon, presented a report from Councillor Eamonn O'Brien Cabinet Member for Finance and Housing.

The report provided Members with details of risk management activity that had taken place over the past 12 months. The report also outlined risk management

policies and the key issues that would be addressed during the coming financial year.

It was explained that Risk Assessment Action Plan Registers (RAAP's) were used across departments to record identified risks and opportunities and the actions being taken. The Council's risk management framework was outlined within the report and each of the department's progress against the risks was set out.

It was explained that as well as the department RAAP's there was also the Corporate RAAP which records the Council's most significant risks. The Corporate RAAP is reviewed continually by the Strategic Leadership Team.

Member input was sought via the Corporate Risk Management Group and quarterly reports to the Audit Committee.

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

- Councillor Walmsley referred to the Council Tax Support Scheme and asked questions in relation to this:

Had there been any increase of requests for support?

What is the current position in relation to residents' in arrears?

- Councillor Walmsley referred to the Social Care Precept and asked how this was invested and how it was being prioritised. Councillor Walmsley also asked what the waiting time was for older people to get care packages in place.

Steve Kenyon explained that the precept was invested straight into Adult Care. One main areas highlighted was around delayed discharges.

- Councillor Walmsley referred to the 59 weeks' that was reported as being the waiting time for therapists to visit in relation to adaptations.

Steve explained that adaptations wouldn't be funded from the precept but he would make some enquiries in relation to this.

- Councillor Walker referred to the recent reports around delayed discharge and the Better Care Fund and stated that he would be asking questions in relation to this at the next meeting of the Health Scrutiny Committee.

Robert Fenton, Assistant Director of Resources explained that the Council jointly with the CCG should carry out due diligence to ensure that outcomes are achieved and quality improved.

- Councillor Walker referred to paragraph 1.3 of the report and stated that he thought the money referred to had been received.

Steve stated that this money had now been received.

- Councillor Walker referred to the Greater Manchester Devolution agenda and the transformation bid. Councillor Walker stated that he agreed that this should be on the risk register and he was concerned that Bury could get overlooked and not receive what is equitable.
- Councillor Walker referred to the control measures mentioned on page 9 of the report and asked whether these were still in place.

Steve reported that the measures referred to were still in place.

- Councillor Walker referred to the reduction in services and the fact that the Council would have to manage the expectations of its residents.

It was explained that there were a number of initiatives being launched and different ways of working.

**Delegated Decision:**

1. That the Audit Committee re-affirms its support for the Council's approach to Risk Management.
2. That the progress made throughout 2016/2017 and the actions planned for 2017/2018 be noted.

**AU.95 FINANCIAL MONITORING REPORT APRIL 2017 TO JUNE 2017**

Steve Kenyon, the Interim Executive Director of Resources and Regulation presented a report updating the Committee on the authority's financial position in line with the Committee's Statement of Purpose to 'Provide independent scrutiny of the authority's financial and non financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment'.

It was reported that that the authority is projecting an overspend of £3.651m for the year, based on spending and income information as at 30 June 2017.

It was explained that the Authority's financial position is continually monitored throughout the year, monthly reports are considered by departmental management teams and summaries available to Cabinet Members. A monthly summary is submitted to the Senior Leadership Team and to the Cabinet Member for Finance.

Quarterly detailed monitoring reports are considered by the Senior Leadership Team, the Cabinet, Star Chambers and the Overview and Scrutiny Committee. These set out a risk assessed summary of the financial position, explanations of major variances from budget, an assessment of the minimum level of balances, information on the forecast balances position and an assessment of performance against the objectives of the Financial Strategy.

The projected overspend of £3.651m represents approximately 2.70% of the total net budget of £135.330m, and compares to an overspend of £6.395m at quarter 1 last year.

An overview of the variance was outlined in the report.

It was reported that due to the extremely difficult financial situation facing the Council in 2016/2017 the Senior Leadership Team had agreed and drawn up an action plan with some immediate additional spending controls over and above the usual controls:-

- Recruitment freeze on staff and new agency placements (exceptions to be signed off by SLT);
- Release of all existing casual/agency staff (exceptions to be signed off by SLT);
- Cease overtime/additional hours (exceptions to be signed off by SLT);
- Enter into no new training commitments and review existing training (exceptions to be signed off by SLT);
- Re-launch Work Life Balance options around reduced hours/purchase of leave;
- Cease spend on discretionary budgets; stationery, office equipment etc;
- Cease spend on IT/Communications (exceptions to be signed off by SLT);
- Any spend greater than £250 to be signed off by Executive Director;
- Any new contractual commitments greater than £5000 (lifetime value of contract) to be signed off by SLT;
- Consider "in year" budget options – e.g. previously unidentified efficiencies, review of non key services.

These controls remain in place for 2017/18 and compliance with these is monitored throughout the year

It was explained that the report being presented showed month 3 figures so the situation will have moved on. The month 6 report would be produced over the coming weeks and would show the most recent figures.

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

- Councillor Walker referred to reputational risk and issues that were still ongoing and costing the Council money. Councillor Walker asked where the money for this was coming from.

Steve reported that the Council had received information in relation to this at the meeting of Council on 20 July 2017. The money referred to had come from Council reserves.

- Councillor Walker asked at what point were the 10 measures monitored.

It was explained that the measures were continually monitored.

**Delegated Decision:**

That the contents of the report be noted.

#### **AU.96 QUARTERLY GOVERNANCE STATEMENT APRIL 2017 TO JUNE 2017**

The Head of Financial Management presented a report providing Members with a quarterly update on the Annual Governance Statement which had been approved by the Audit Committee at its meeting on July 19 2016.

The report gave an update on the continuous monitoring that was carried out and highlighted any relevant issues with regards to Risk Management, Business Continuity, Budget Monitoring, the work of Internal Audit, the work of the Governance Panel and Sickness levels across the authority's staff.

The up to date Corporate Risk Register was tabled at the meeting and informed Members of the risk event and status. It was explained that the Risk Register had been updated to reflect the most current high level risks facing the organisation.

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

- Councillor Mallon referred to the sickness levels of the Council staff and the fact that they had remained fairly steady. Councillor Mallon stated that it was worth noting the hard work and dedication of the staff.
- Councillor Walmsley referred to stress levels within the work force and stated that relationships with the unions and the Council need to be maintained. The Council needs to work positively to manage health and wellbeing at work.

#### **Delegated decision:**

That the contents of the report be noted.

#### **AU.97 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.98 INTERNAL AUDIT PROGRESS REPORT**

The Audit Manager presented a report updating Members on the work being carried out by Internal Audit, as measured against the Annual Plan for 2017/18. Appended to the report were details of work carried out and audit reports issued, and any significant items were highlighted in the report.

**Delegated decision:**

That the report be accepted.

**AU.99 MEMBERS' FEEDBACK**

The Audit Manager presented a report providing feedback to Committee Members in the form of responses to specific issues raised in relation to Audit Reports and queries. This included; details of cash transactions on large cash transactions and by providing follow-ups to audit that had been revisited since the Audit Committee meeting in September 2017.

**Delegated decision:**

That the contents of the report be noted.

**AU.100 PROCUREMENT OF EXTERNAL AUDIT SERVICES**

Steve Kenyon provided a verbal update on the procurement of External audit services under the Public Sector Audit Appointments arrangement.

This will represent a change of Auditors for the Council who currently use KPMG

It was reported that new arrangements will be confirmed in December 2017.

**Delegated decision:**

That the information be noted

**COUNCILLOR J MALLON**  
**Chair**

**(Note: The meeting started at 7.00 pm and ended at 8.10 pm)**