

**Minutes of:               AUDIT COMMITTEE**

**Date of Meeting:**   18 March 2021

**Present:**               Councillor M Whitby (in the Chair)  
Councillors R Gold, M Hayes, Sarah Southworth, D Vernon,  
R Walker and S Wright

**Also in attendance:**   Lisa Kitto, Interim Director of Financial Transformation  
Karen Murray, Mazars  
Ian Pinches, Mazars  
Janet Spelzini, Acting Head of Internal Audit

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

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

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## **AU.1               DECLARATIONS OF INTEREST**

Councillor Sarah Southworth 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 audit both companies.

Councillor S Wright 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. He also declared a personal interest in any item relating to Six Town Housing as he is a member of the Board.

## **AU.2               MINUTES OF THE LAST MEETING**

### **It was agreed:**

That the Minutes of the last meeting held on 25 January 2021 be approved as a correct record and signed by the Chair.

## **AU.3               MATTERS ARISING**

With reference to the matter raised regarding the empty property officer position, it was reported that this post had been advertised and successfully recruited to. The successful candidate was due to take up the post on 6 April 2021.

It was reported that the advert for the Independent Member had been published in the Bury Times, on the Council website and in a press release. The advert had attracted over 40 expressions of interest. It was explained that the next steps would be to request those interested fill out an application form and the candidates that met the specified criteria would be invited for interview.

The new Independent Members would be in post for the start of the next municipal year.

Councillor Walker referred to the issue that he had raised in relation to Councillor involvement in tenders and the use of the 'Chest'.

Councillor Walker referred to Minute AU.476 - Procurement Contract Procedure Rules and Procurement Overview and explained that lots of people won't understand what the Chest was. Councillor Walker also referred to the wording in the Minutes stating that there was no need for Councillors to be involved in the opening of tenders and felt that this was something that Councillors should be involved in.

Lisa Kitto explained that the process had been replaced by an electronic process and all tenders were documented and transparent. It was also explained that there was Councillor involvement from the relevant portfolio holder and there was a full governance process in place.

#### **AU.4 STATEMENT OF ACCOUNTS 2019/2020**

Lisa Kitto, Interim Director of Financial Transformation presented the Council's draft Statement of Accounts 2019/20. It was reported that the accounts have been subject to review by the external auditors, Mazars.

The external audit has now concluded, and the draft findings have been reported to the Audit Committee in January 2021. A final report from the external auditors is included in the agenda for this meeting and confirms that the audit has now concluded.

The Council's Statement of Accounts 2019/20 have been updated to reflect the changes required and are now attached at Appendix 1 for approval by the Committee. The Council's Management Representation letter is attached at Appendix 2.

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

- Councillor Vernon referred to Section 27, Contingent Liabilities and the Municipal Mutual Insurance Ltd. and asked what a trigger event would be.

Lisa stated that she would email the Audit Committee with a full response to the question.

- Councillor Walker referred to the school reserves and balances and stated that in the past some schools used to have a lot of money in reserves and some schools had none, the ones with the reserves were able to carry this forward. Councillor Walker asked whether this still happened. also asked whether academy schools were included.

Lisa explained that there were two different types of reserves and some schools did have them. It was explained that schools were able to carry forward reserves unless they were deemed excessive and if this was the case then clawback arrangements would be instigated. It was also explained that some schools were in deficit and when this occurred the Local Authority would work with them to bring them into a recovery position. Lisa explained that this only referred to non – academy schools.

Councillor Whitby suggested that the Members of the Audit Committee have one week to review the Statement of Accounts and raise any issues that they may have.

**Delegated decisions:**

1. That the Audit Committee be given a week to review the Statement of Accounts.
2. That the Chair of the Committee be delegated to approve the Statement of Accounts on behalf of the Audit Committee

**AU.5 AUDIT COMPLETION LETTER 2019/2020**

Karen Murray presented the Audit Completion Letter to the Committee.

The letter set out the matters that had been marked as outstanding at the last meeting of the Audit Committee in January 2021 and the conclusions that had been reached.

It was explained that all work had been completed and an unqualified opinion would be issued.

**Delegated decisions:**

1. That the contents of the report be accepted.
2. That Mazars be thanked for their work and support in completing the Audit.

**AU.6 INTERNAL AUDIT QUARTER 3 UPDATE**

Janet Spelzini, Acting Head of Internal Audit presented a report setting out the progress to date against the annual audit plan 2020/21. 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.

It was reported that staff within the Internal Audit Team had been seconded for a second time during the pandemic to assist with support in other priority services.

It was explained that any work within the Internal Audit Plan that had fallen behind would be carried forward into the next financial year.

It was also reported that there is a risk that the annual opinion of the Head of Internal Audit for 2020/21 may need to be limited. This situation is being monitored and CPFA guidance is being followed. Where possible, alternative sources of assurance will be sought.

**Delegated decisions:**

1. That the work undertaken by Internal Audit as set out in the report be noted;

2. That the Audit Committee endorse the proposed approach to deferred audits as set out at in the report;
3. That the position regarding the Annual Opinion of the Head of Internal Audit, as detailed in the report be noted.

#### **AU.7 SCHEME OF FINANCIAL DELEGATION AND FINANCIAL PROCEDURE RULES**

Lisa Kitto presented a report which explained that in November 2019, Cabinet received a report on the Council's new constitution. These were formally approved by Council in January 2021. In the report to Cabinet it was stated that 'Contract Procedure rules and Finance Regulations are a technical finance matter and are subject to the review of the statutory finance officer and monitoring officer'. The report also stated that the Audit Committee be authorised to approve further revisions to the rules.

The report sets out the Financial Procedure Rules and the Scheme of Delegation – Financial Limits for consideration by the Committee. Attached to the rules were detailed guidance notes to support budget holders in performing their financial duties.

##### **Delegated decisions:**

1. That the Financial Procedure Rules and Scheme of Delegation – Financial Limits be approved.
2. That the recommendation within the report that the documents will form part of training for budget holders across the Council be approved.

#### **AU.8 ACCOUNTING POLICIES**

Lisa Kitto presented a report which explained that in preparing the statement of accounts, the Chief Finance Officer is responsible for selecting suitable accounting policies and ensuring they are applied consistently. Accounting policies are the specific principles, conventions, rules and practices applied in preparing and presenting the financial statements and set out how transactions are recognised, presented and measured in the accounts.

A summary of the accounting policies were set out at Appendix A of the report.

##### **Delegated decision:**

That the accounting policies that will be used in the preparation of the 2020/21 Statement of Accounts as set out in the report be noted

#### **AU.9 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.10 INTERNAL AUDIT QUARTER 3 - EXEMPT REPORT**

Janet Spelzini presented a report setting out the work that had been carried out by the Internal Audit Team to the end of quarter 3 2020/2021.

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.11 RECORD OF THANKS**

Councillor Whitby explained that this was the last meeting of the Audit Committee for the 2020/2021 Municipal Year and stated that this would be the last meeting for Councillors David Silbiger, Sarah Southworth and Roy Walker as they would not be standing as candidates in the forthcoming local elections.

Councillor Whitby thanked them for their dedication and support over the years.

Councillor Whitby also explained that this would be the last meeting of the Audit Committee that Lisa Kitto would be attending and thanked her for her hard work, support and dedication to the Committee.

The Members of the Audit Committee thanked Councillor Whitby for her work as Chair of the Committee for the year.

**COUNCILLOR M WHITBY**  
**Chair**

**(Note: The meeting started at 7.00 pm and ended at 7.45 pm)**