



# AUDIT COMMITTEE

BURNLEY TOWN HALL

Wednesday 12<sup>th</sup> March 2014

## PRESENT

## MEMBERS

Councillor Andy Tatchell, in the Chair.

Councillors Marcus Johnstone, Anne Kelly, Arif Khan, Margaret Lishman, Jeff Sumner and Paul Reynolds.

## OFFICERS

Helen Seechurn	- Director of Resources
Caroline Lee	- Head of Revenues & Benefits
David Donlan	- Accountancy Division Manager
Chris Gay	- Performance, Policy & Committees Manager
Ian Evenett	- Internal Audit Manager
Nadeem Ukadia	- Senior Auditor
Elaine Newsome	- Democracy Officer

## ALSO IN ATTENDANCE

Andrew Cook	- Grant Thornton
Karen Murray	- Grant Thornton

### 27. Apologies

Apologies for absence were received from Councillors Carmichael and Townsend, Colin Crowther and Louise Gaskell, Co-opted Members and Steve Rumbelow, Chief Executive.

### 28. Minutes

#### IT WAS AGREED

That the Minutes of the meeting held on the 15<sup>th</sup> January 2014 be agreed as a correct record and signed by the Chair.

### 29. Grant Certification Report

Further to the meeting held on the 15<sup>th</sup> January 2014, the Committee considered the external auditors report on grant certification work

conducted for the 2012/13 financial year. Andrew Cook reported that the certification work had concluded without amendment and that one minor error, to the value of £374 had been identified in respect of a housing benefit and council tax subsidy claim, which had been reported to the Department of Work and Pensions.

**RESOLVED** That the Grant Certification report be noted.

**30. External Audit Progress Report**

The Committee received for information, details of year to date progress in relation to the work of the external auditors to the year ending 31<sup>st</sup> March 2014.

Members were advised that the programme of audit activity in relation to the 2013/14 financial year would be submitted to the June meeting of the Committee.

The Committee were further advised of emerging national issues that would impact on future audit activity. These related to a change in Cipfa guidance on the valuation of plant, property and equipment for accounting purposes and the processes required to be implemented by local authorities in respect of business rate appeals.

**IT WAS  
AGREED**

That the progress report and emerging issues be noted.

**31. Benchmarking Arrangements for Securing Financial Resilience**

The Committee considered a report of the external auditor in relation to benchmarking activity of the council's arrangements for securing financial resilience.

Andrew Cook highlighted that the results of benchmarking activity had been positive, with all but one indicator rated favourably. He advised that the one "amber" rating had been applied in relation to the Councils medium term financial strategy, which, at the time of the assessment, had been unable to confirm actions relating to the Councils financial position for the 2015/16 financial year. Since finalisation of the report, the Council had now put in place arrangements to address its future financial position.

**IT WAS  
AGREED**

That the outcomes of the benchmarking activity be noted.

**32. Protecting the Public Purse – Fraud Briefing**

Members received an Audit Commission presentation on fraud detection. Karen Murray advised that best practice guidance recognised the importance of Councillors appreciating fraud risks faced

by local authorities in order that they could ensure that Councils deployed sufficient measures to target localised fraud activity.

The Committee were advised that, in total, Burnley Council had experienced limited fraudulent activity and had primarily invested counter measures to address potential housing benefit fraud.

During discussion on the matter, the following points were considered:

- Councillor involvement in fraud detection: Members were advised that their role should primarily include dissemination and reinforcement of key messages around fraud intolerance alongside the establishment of targeted, appropriate measures to counter potential fraud;
- Levels of fraud detection resource: Caroline Lee reported that resources across neighbouring authorities differed in accordance with fraud risk. She advised on different channels available to the Council and that current priority centred on potential housing benefit fraud. In response to a question on sources of fraud relating to social housing claimants, officers undertook to work with partner organisations and private landlords to review fraud detection activity.

**IT WAS  
AGREED**

1. That the content of the presentation and current fraud detection activity be noted
2. That the guidance included at appendix 2 to the presentation inform future development activity for the Committee.

### **33. Annual Accounts 2013/14 Arrangements**

David Donlan submitted a report on the arrangements made to date and the implications of the changes required for the Council in respect of the closure of the 2013/14 accounts.

Members suggested that a workshop on the Councils accounting arrangements should be incorporated into a programme of activity for the Committee to ensure that the knowledge and understanding of practices was updated in accordance with the changes.

**IT WAS  
AGREED**

That the arrangements made by the Council in advance of the closure of accounts for the 2013/14 financial year be noted.

### **34. Arrangement for the 2013/14 Annual Governance Statement**

Ian Evenett reported on arrangements to provide assurance for the 2013/14 Annual Governance Statement. The committee were advised that officers were currently progressing a series of Councillor and officer assurances, which sought an opinion on six core governance principles and would inform the final statement.

**IT WAS  
AGREED**

That approval be given to the proposed process in respect of the finalisation of the 2013.14 Annual Governance Statement.

**35. Internal Audit Progress Report**

The Committee considered a report on the work undertaken by the Internal Audit Section for the period 1<sup>st</sup> October to 31<sup>st</sup> December 2013.

Nadeem Ukadia reported on overall performance throughout the quarter, advising of further completed works to be reported to the next meeting.

**IT WAS  
AGREED**

That the report be noted.

**36. Work Programme 2013/14 and 2014/15**

The Committee reviewed its work programme for the 2013/14 Municipal Year and considered the content of the future work programme.

It was suggested that all Councillors should have an appreciation of the wide and varied role of the Committee and proposed that an all member briefing be included in the annual programme of member development activity.

Councillors also considered appointments to the Committee and proposed that, unless new councillors had a related personal or professional background, they should not be nominated to the Committee during their first year of service.

Further areas considered included risk management and lean working. It was proposed that risk management should also be included in any future member briefing and that the Council should continue to address future working options through its CPI processes.

**IT WAS  
AGREED**

That an all member briefing on the role of the Audit Committee and the Councils risk management practices be proposed to be included in the Member development programme for 2014/15.