

**MINUTES OF: THE AUDIT AND ACCOUNTS COMMITTEE**

**DATE OF MEETING: 28<sup>TH</sup> JULY 2021**

**PRESENT: Councillor Marriott (Chair)  
Councillors Essex, Kenyon, Oakes, Procter, Steen and Woods  
Co-opted Member, Mr S McManus**

**IN ATTENDANCE: Mr N Shaw, Chief Executive, RBC  
Ms K Spencer, Head of Finance (S151 Officer), RBC  
Mr C Finn, Finance Manager, RBC  
Mr I Walker, Service Assurance Team Leader, RBC  
Mrs C Walker, Fraud & Compliance Officer, RBC  
Mr M Baskerville, LCC Internal Auditors  
Ms A Payton, Mazars Auditors  
Miss S Iqbal, Grant Thornton Auditors  
Miss G Ashton, Committee Officer, RBC**

**ALSO PRESENT: Councillors Pendlebury and Walmsley  
Miss Y Ahmed, Legal Officer  
1 member of the public (on Zoom)**

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**1. APOLOGIES FOR ABSENCE**

1.1 Apologies were received from Mark Dalton, Mazars.

**2. MINUTES OF THE MEETING HELD ON 9<sup>TH</sup> MARCH 2021**

**RESOLVED:**

The minutes of the meeting held on 9<sup>th</sup> March 2021 were agreed as a correct record.

**3. URGENT ITEMS OF BUSINESS**

3.1 The chair confirmed there were no urgent items of business.

**4. DECLARATIONS OF INTEREST**

4.1 There were no declarations of interest.

**5. PUBLIC QUESTION TIME**

5.1 No questions had been registered.

**6. CHAIR'S UPDATE**

6.1 The chair reported on the sad passing of Councillor Haslam-Jones who had been a member of the committee since his appointment in May 2019. A formal vote of thanks was made by the committee.

**7. CORPORATE RISK REPORT QUARTER 4 2020/21**

7.1 The Head of Finance presented the report, which asked members to note the Corporate

Risk Register as detailed and note the risk consequence, mitigation action and level of risk as detailed in Appendix 1. Amendments/typos were noted for point 4.22 and risks 2 and 6.

7.2 In response to comments made it was noted that:

- The £100k of the Council's Government Covid funding had been paid to Rossendale Leisure Trust (RLT).
- A further £115k had been paid to RLT for their costs incurred in supporting the community hub.
- The £140k Leisure Recovery Fund had been received but had not yet been passed over to RLT.
- RLT's finances were closely monitored and regular meetings took place with the trust and their finance board.
- A Service Level Agreement (SLA) had been drafted for the Whitaker which included a requirement for RLT to pay the utilities and that the council would receive a share of the profits from catering and events once the Whitaker had built a reserve.
- The Whitaker to be approached regarding the possibility of an opposition member joining the board. It was to be noted that the Whitaker is an independent organisation.
- Clarification would be sought regarding staff training on cyber security (Risk 9).
- The Risk Register was monitored regularly and updated at least quarterly.
- A review of industrial estate rents was underway.
- The Post Examination Hearing Letter from the Planning Inspectorate had been received and key issues circulated to members.
- Staff sickness levels were slightly below those in previous years. Absences included Covid related sickness.

Clare Law, Head of People and Policy was thanked for producing an excellent report.

**RESOLVED:**

- That the Audit and Accounts Committee noted the Corporate Risk Register as detailed in the report.
- That members noted the risk consequence, mitigation action and level of risk as detailed in Appendix 1.

**8. ANNUAL FRAUD REPORT 2020/21**

8.1 The Fraud and Compliance Officer presented the report, which provided details of the Fraud and Compliance work completed and performance results during the period 1<sup>st</sup> April 2020 to 31<sup>st</sup> March 2021.

8.2 In response to comments made it was noted that:

- Work was ongoing in relation to business rate grant potential fraud cases. Details had been submitted to the Police National Investigation Service (NATIS) who would review and advise of any further investigations.
- Some figures in the tables did not match due to the crossover of financial years.
- Fewer civil penalties had been applied as face-to-face interventions could not take place.
- Future reports should include a comparison of trends over the years.
- Final amends were needed to the fraud awareness training before circulation to staff.
- Key staff received ongoing fraud awareness training.

- Performance and statistics information would be broken down into number of cases going forward.

**RESOLVED:**

- That the Audit and Accounts Committee noted the content of the report.

Councillor Essex moved the following verbal motion which was seconded by Councillor Woods:

*This committee requests that the chair stands down for item D3 Empty Homes Project Update.*

Councillor Essex requested a vote on the motion.

A short break to check the Constitution was agreed.

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**NB** The Chief Executive, Head of Finance, Legal Officer and Committee Officer left the meeting.

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The Chief Executive confirmed that the motion was valid and that a vote should take place.

Members voted on the motion, which was not carried.

**9. EMPTY HOMES PROJECT UPDATE**

9.1 The Chief Executive outlined the report which asked members to consider the update on the Empty Homes project and the actions to manage the project in the future.

9.2 In response to comments made it was noted that:

- Procurement training had taken place and fraud awareness training would take place in the near future. Roll-out of training was an oversight and was being addressed.
- Systems and processes were in place and the Management Team were passionate about creating a rigorous staff culture.
- The internal auditor's assurance opinion was a positive one rather than negative.
- The second letting agent was Ian Steinberg.
- An update report would be provided annually.
- It was difficult to project total costs for the remainder of the project.
- A Project Support Officer had been appointed; the costs would be factored into next year's report.
- The Police were not taking criminal proceedings against any officer or member, past or present.

**RESOLVED:**

- That the Audit and Accounts Committee noted the content of the report.

**10. REVIEW AUDIT & ACCOUNTS TERMS OF REFERENCE**

10.1 The chair outlined the changes that were made at the 17<sup>th</sup> March 2021 Council meeting.

**RESOLVED:**

- That the Audit and Accounts Committee noted the changes to the Terms of Reference.

## **11. INTERNAL AUDIT ANNUAL REPORT FOR YEAR ENDED 31<sup>ST</sup> MARCH 2021**

11.1 The Audit Manager, LCC outlined the report which asked members to consider the internal audit annual assurance report for 2020/21.

11.2 In response to comments made it was noted that:

- The auditor's assurance opinion on the Emergency Plan and Business Continuity would remain but actions would be reviewed.
- The council's overall response to the pandemic had been admirable.

Councillor Procter asked that the auditor's feedback be passed on to staff to recognise their work during the pandemic.

### **RESOLVED:**

- The Audit and Accounts Committee considered the internal audit annual assurance report 2020/21.

## **12. INTERNAL AUDIT PROGRESS REPORT QUARTER 1 2021/22**

12.1 The Audit Manager, LCC outlined the report, which asked members to consider the internal audit progress report for quarter 1 2021/22.

### **RESOLVED:**

- The Audit and Accounts Committee considered the internal audit progress report for quarter 1 2021/22.

## **13. INTERNAL AUDIT CHARTER**

13.1 The Audit Manager, LCC outlined the report which asked members to consider and approve the Internal Audit Charter.

### **RESOLVED:**

- The Audit & Accounts Committee considered and approved the Internal Audit Charter.

## **14. EXTERNAL AUDIT PROGRESS REPORT – GRANT THORNTON**

14.1 The Audit Manager, Grant Thornton provided a verbal update on the audit progress for the 2017/18 accounts.

### **RESOLVED:**

- The Audit & Accounts Committee noted the verbal report provided.

## **15. EXTERNAL AUDIT PROGRESS REPORT - MAZARS**

15.1 The Account Manager, Mazars outlined the report, which asked members to consider their external audit progress report.

### **RESOLVED:**

- The Audit & Accounts Committee noted the content of the report.

## **16. EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED:**

- That the public and press be excluded from the following items of business under Section 100(A)(4) of the Local Government Act 1972 since the items involved the likely disclosure of exempt information under Paragraphs 1 and 2 of Schedule 12A to the Local Government Act 1972.

**17. STANDARDS COMPLAINTS UPDATE (VERBAL)**

17.1 An update was provided in relation to Standards Complaints.

**RESOLVED:**

- That the update was noted.

**18. WHISTLEBLOWING UPDATE (VERBAL)**

18.1 An update was provided in relation to Whistleblowing.

**RESOLVED:**

- That the update was noted.

**The meeting concluded at 7.52pm**

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**Signed (Chair)**

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**Date**