

MINUTES OF: THE AUDIT AND ACCOUNTS COMMITTEE

DATE OF MEETING: 9TH MARCH 2022

PRESENT: Councillor Marriott (Chair)
Councillors Essex, Kenyon, Oakes, Procter, Steen & Woods

IN ATTENDANCE: Ms K Spencer, Head of Finance (S151 Officer), RBC
Mr C Finn, Finance Manager, RBC
Mr M Baskerville, LCC Internal Auditors
Mr A Dalecki, LCC Internal Auditors
Mrs A Salford, Mazars Auditors
Miss G Ashton, Committee Officer, RBC

ALSO PRESENT: Councillor Walmsley
1 member of the public
Observed remotely – Councillor Ashworth & 1 member of the public

1. APOLOGIES FOR ABSENCE

1.1 Apologies were received from Mr S McManus, Co-opted member, Mr M Dalton, Mazars and Ms S Iqbal, Grant Thornton.

2. MINUTES OF THE MEETING HELD ON 1ST DECEMBER 2021

RESOLVED:

The minutes of the meeting held on 1st December 2021 were agreed as a correct record.

3. URGENT ITEMS OF BUSINESS

3.1 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 The Chair agreed to deviate from the procedure for public speaking and allow the member of public present to ask questions as items on the agenda were presented.

6. CHAIR'S UPDATE

6.1 It was noted that the Sanction and Prosecution Policy had been updated and approved by Cabinet in October 2021. The Chair asked if the Policy could be revisited and shared once updated.

6.2 In relation to Risk 8 on the Q2 Risk Report, the Chair advised that the 25% turnover figure quoted in the Q1 risk update was the estimate for the full year based on the turnover at that time. The actual turnover in Q1 was 7.47%. In Q2 the turnover figure was 6.25%, giving a cumulative figure of 13.72% at the 6 month position. The Head of Finance advised that by the end of Q3, a total of 36 members of staff had left the organisation. She provided a

breakdown of the reasons.

7. CORPORATE RISK REPORT QUARTER 3 2021/22

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.

7.2 In response to comments from the Committee it was noted that:

- In relation to Risk 1, the funding gap had changed as a result of the February budget process and was now circ. £600k pa beyond 2022/23. Recommendations to bridge the funding gap had been actioned/were being considered.
- The Head of Finance agreed to provide figures on the net income from Spinning Point. She advised that the bus station units were being fitted out and tenants were waiting to sign up. The council had applied to LCC for funding which was being used to fit out the units.
- Work had taken place at Futures Park to increase the capacity for commercial letting. This would help pay for the £90k business rates for the building.
- The Council Tax base figure was set on 30th November 2021 and took into account data known at that time e.g. exemptions, single occupancy, collection rates and the effects of Covid. By law, councils must set a budget and be able to evidence how this is completed. In the event the collection rate was higher than expected, it would be shared out the following year.
- In relation to Band D equivalent for the 40-50 new homes, Finance work with the Planning department to ascertain when new homes would come online and then work out the percentage that would be single occupancy, have other exemptions etc.
- Costs arising from the Empty Homes legal claims were unknown but the claims were being rigorously defended.
- Fees and Charges had been reviewed and new charges created to increase income. The Economic Development team were looking at projects to generate income, including the development of Plot 4.
- Charges were already in place for pre-application planning advice. A new pre-application charge for developers was to be introduced.
- The Economic Development team is a small team with fixed term contracts. One post was currently vacant and there had been issues recruiting a suitable candidate. A re-structure was being considered.
- The council had promoted the uptake of the Covid-19 vaccine as much as possible and promoted vaccine sites on social media etc.
- Head of Finance to provide figures on the government support provided to Rossendale Leisure Trust.
- The Whitaker and Ashcroft were able to access the Omicron government funding but gyms etc. were excluded.
- In relation to Risk 9, staff were in the process of completing Fraud Awareness training. Mandatory Cyber Security training would be rolled out on 14th March 2022.
- The Head of Finance confirmed that the date range in Risk 11 was correct as the report was looking retrospectively.

7.3 In response to a question from the member of the public present, it was noted that:

- Council owned land was disposed of in line with the council's Constitution (Part 4).

Anyone was able to apply to purchase council owned land using the PLR (Purchase, Lease, Rental) Application Process.

- 7.4 Officers were thanked for a clear, easy to read report. Thanks also to be passed to the Chief Executive for introducing a named project manager for each Economic Development project. A single point of contact was very helpful.

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. INTERNAL AUDIT PROGRESS REPORT Q3 2021/22

- 8.1 The Audit Manager, LCC outlined the report, which asked members to consider the internal audit progress report for quarter 3 2021/22.

- 8.2 In response to comments made it was noted that:

- In relation to 3.8 and 3.9, implementation dates had been agreed.
- The recommendation made in relation 3.8 was specific to Rossendale; it added an additional means of measuring performance.
- The Audit Manager was satisfied that a process was in place for recording the payment of invoices to Barnfield.
- Fee paid to credit agencies for data, to be advised.

- 8.3 The Chair expressed concerns that the Chief Executive was also a Director of the RTB Partnership and would prefer another senior manager to approve invoices.

RESOLVED:

- That the Audit and Accounts Committee considered the internal audit progress report for Quarter 3 2021/22.

9. INTERNAL AUDIT ANNUAL AUDIT PLAN FOR 2022/23

- 9.1 The Audit Manager, LCC outlined the report, which asked members to consider and approve the internal audit plan for 2022/23.

- 9.2 In response to comments made it was agreed that:

- The Audit Manager would amend some of the dates in the plan.

RESOLVED:

- That the Audit and Accounts Committee considered and approved the annual internal audit plan for 2022/23.

10. EXTERNAL AUDIT PROGRESS REPORT – GRANT THORNTON

- 10.1 The Head of Finance provided a verbal update on behalf of Grant Thornton. The Finance team were working hard to complete the adjustments needed to the 2017/18 accounts. The outstanding actions related to technical disclosures in relation to the sale of the Transport Company. Once completed, the accounts would be sent to Grant Thornton for

them to finalise their work.

10.2 In response to comments made it was noted that:

- The Transport Company pension scheme was not affecting the 2017/18 accounts. Responsibility for the pension scheme to be confirmed.
- It was confirmed that Mazars had not imposed penalties for the last 3 years and they had completed the Housing Benefit Subsidy Audit for each of the years.

RESOLVED:

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

11. EXTERNAL AUDIT PROGRESS REPORT – MAZARS

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

11.2 In response to comments made it was noted that:

- The total amount of housing benefits claimed from the DWP was £13,722,371.00

RESOLVED:

- The Audit & Accounts Committee noted the external audit progress report.

The Chair noted that as Mazars had links to Russia, he had requested a response from them in relation to their activities in Russia. This would be circulated once received.

The meeting concluded at 7.26pm

Signed (Chair)

Date