

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

**DATE OF MEETING: 30<sup>TH</sup> NOVEMBER 2022**

**PRESENT: Councillor MacNae (Chair)  
Councillors McMahon, Procter, S Smith & Woods**

**IN ATTENDANCE: Ms K Spencer, Chief Finance Officer (S151 Officer), RBC  
Mr A Allen, Director of Communities, RBC  
Mrs C Law, Head of People and Policy, RBC  
Mr M Baskerville, LCC Internal Auditors  
Mr A Dalecki, LCC Internal Auditors  
Miss G Ashton, Committee Officer, RBC**

**ALSO PRESENT: Councillor Lythgoe and 1 member of the public**

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**1. APOLOGIES FOR ABSENCE**

1.1 Apologies were received from Councillor Kenyon and Mr McManus, Co-opted Member.

**2. MINUTES OF THE MEETING HELD ON 28<sup>TH</sup> SEPTEMBER 2022**

**RESOLVED:**

The minutes of the meeting held on 28<sup>th</sup> September 2022 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 declaration of interests.

**5. PUBLIC QUESTION TIME**

5.1 There were no public questions.

**6. CHAIR'S UPDATE**

6.1 Members were encouraged to complete the Cyber Security training using the materials provided. 9 members are still to complete the training.

**7. CORPORATE RISK REPORT Q2 2022/23**

7.1 The Chair suggested the creation of a working group to look at best practice and ensure risks are consistent and are managed correctly. It was agreed that the Chair, Councillors Procter and Woods would work with the Chief Finance Officer and new Chief Executive, once appointed, to complete this work.

7.2 The Chief Finance Officer presented the report, which asked members to note the Corporate Risk Register, the risk consequence, mitigation action and level of risk as detailed in Appendix 1. Of the 11 risks, 3 were red and the red risk owners had been invited to attend the meeting to provide an update and answer questions.

### 7.3 The following comments were made and clarifications provided:

#### Risk 1 – Sustainability of the Medium Term Financial Strategy

- All options were being considered however it was noted that the funding gap was so great that the Council would need Government support to help bridge the gap. Capital receipts from the sale of assets were being considered however they could only be used to support capital expenditure and would not help in the short term. As a last resort reserves would be used, but based on current estimates they will only last approx. 3 years. The Council may need to look at larger changes and efficiency savings which would affect service delivery.
- The Chair suggested two potential options that would be required to bridge the deficit; funding structure changes or for the Council to consider becoming part of a Unitary Authority.
- Increasing Council Tax was unfair on residents and the sale of assets was not infinite.
- Detailed reports were taken to Cabinet on a regular basis and Management team are working with Cabinet to look at what savings the Council can make. Other ideas for savings and efficiencies were welcomed.
- Spend on non-statutory services was small and following years of funding reductions, savings to be found in statutory services was minimal. A considerable amount of work was taking place on income generation.
- It was noted that where Wind Farms straddle two authorities, the authority with the biggest rateable value would retain the business rates income for the whole site.
- Fracking in Rossendale was not an option due to its geology.

#### Risk 6 – Sustainable Workforce

- Staff undertaking training paid for by the Council are required to sign a training agreement. This outlines that staff must re-pay 100% of the fees if they leave the Council in the first 2 years or 50% in the third year.
- The Flexible Working Policy had recently been reviewed and 50% of staff were happy with the current arrangements i.e. up to 2 home working days per week. Officers could now accrue flexitime when working from home.
- More applications were being received for the vacant posts which was encouraging.

#### Risk 11 – Financial Sustainability of Council Owned Leisure Assets

- Work continued with Rossendale Leisure Trust and on leisure facilities in the borough. Detailed reports would be available for the December Council meeting.
- A formal letter had been issued to Rossendale Leisure Trust as a trigger point and for the trust to formalise their financial position.

#### **RESOLVED:**

- The Audit and Accounts Committee noted the Corporate Risk Register as detailed in the report.
- Members noted the risk consequence, mitigation action and level of risk as detailed in Appendix 1.
- That a politically balanced working group be created to include 3 members of the Committee, the Chief Finance Officer and the new Chief Executive. The group will look at best practice and ensure risks are consistent and are managed correctly.

**8. INTERNAL AUDIT PROGRESS REPORT Q3 2022/23**

8.1 The Head of Internal Audit, LCC outlined the report, which asked members to consider the internal audit progress report for quarter 3 2022/23. It was noted that the Health & Safety audit had now been completed and limited assurance awarded.

8.2 The following comments were made and clarifications provided:

- The Health & Safety audit had been delayed to enable Zurich to complete the assessment, which was also delayed. In the interim, the Health & Safety Officer completed an audit, refreshed the policy and drafted a 4-year improvement plan.
- A trainee H&S role had been created to help progress the work but training was needed before the improvement plan could be progressed in a timely manner.
- The auditors were happy with the H&S framework but quicker progress was needed on the timescales. Auditors to monitor.
- There had been difficulties agreeing a KPI in relation to Council Tax and Business Rates aged debts. It was noted that the Capita Governance Board review aged debts and debts are kept live and progressed wherever possible.

**RESOLVED:**

- The Audit and Accounts Committee considered the internal audit progress report for quarter 3 2022/23.

**9. 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.

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

10.1 An update was provided in relation to Standards Complaints.

**RESOLVED:**

- That the update was noted.

**11. WHISTLEBLOWING UPDATE (VERBAL)**

11.1 An update was provided in relation to Whistleblowing.

**RESOLVED:**

- That the update was noted.

**The meeting concluded at 7.25pm**

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**Signed (Chair)**

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**Date**