

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

**DATE OF MEETING: 26<sup>TH</sup> JULY 2023**

**PRESENT:** Councillor M Smith (Chair)  
Councillors Driver (sub), Powell, Procter, S Smith, Walmsley & Woods  
Mr S McManus, Co-opted member

**IN ATTENDANCE:** Rob Huntington, Chief Executive, RBC  
Karen Spencer, Chief Finance Officer (S151 Officer), RBC  
Carol Walker, Fraud & Compliance Officer, RBC  
Andy Dalecki, LCC Internal Auditors  
Mark Baskerville, LCC Internal Auditors  
Alastair Newall, Mazars External Auditors  
Glenda Ashton, Committee Officer, RBC

**ALSO PRESENT:** Councillor Oakes  
K Haworth, Head of Financial Services  
2 members of the public

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**1. APOLOGIES FOR ABSENCE**

1.1 Apologies were received from Councillor MacNae (Councillor Driver subbing).

**2. MINUTES OF THE MEETING HELD ON 8<sup>TH</sup> MARCH 2023**

**RESOLVED:**

The minutes of the meeting held on 8<sup>th</sup> March 2023 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. The Chair agreed to take questions as each agenda item arose.

**6. CHAIR'S UPDATE**

6.1 There was no update.

**7. REVIEW COMMITTEE TERMS OF REFERENCE**

7.1 The Chief Finance Officer noted that the Terms of Reference of the Committee were brought to the first meeting of the municipal year as good practice.

**RESOLVED:**

- The Audit & Accounts Committee noted the Terms of Reference.

**8. ANNUAL FRAUD REPORT**

8.1 The Fraud & Compliance Officer presented the report, which asked members to note the work completed during 2022/23.

8.2 The following comments were made and clarifications provided:

- The Fraud and Compliance Officer was thanked for a comprehensive report and for her hard work.
- Good relationships were being forged with the DWP and more joint working was taking place with the possibility of joint prosecutions. However, information requested from the DWP was not always forthcoming due to their strict Data Protection rules.
- It was noted that residents struggling to complete benefit forms could ring for assistance or attend the Council offices.

**RESOLVED:**

- The Audit and Accounts Committee noted the Annual Fraud Report for 2022/23.

**9. CORPORATE RISK REGISTER UPDATE Q4 2022/23**

9.1 The Chief Finance Officer outlined the report, which asked members to note the contents of the report, the risk consequence, mitigation action and level of risk as detailed in Appendix 1. Two risks had a red risk rating; Sustainability of the Medium Term Financial Strategy and the Financial Sustainability of Council owned leisure assets and the red risk owners were in attendance to answer questions.

9.2 The following comments were made and clarifications provided:

- Once the Risk Strategy had been reviewed/re-drafted, a politically balanced working group would be set up to discuss the strategy before being taken to the Overview & Scrutiny Committee. The group will also look at best practice and ensure risks are consistent and are managed correctly.
- Online Cyber Security training was available to councillors and staff. New councillors and those yet to complete the training would be asked to undertake the training.

Risk 1 – Sustainability of the Medium Term Financial Strategy

- The Council faced challenges as a small authority as Government grants were smaller despite the cost of delivering some services being similar to larger authorities. Due to the geography of the area the Council has limited ability to increase its tax base.
- More income generation was needed. This was difficult in a valley as there was limited capacity to help businesses grow.
- Recruitment and retention was also difficult and the Council needed to consider engaging partners in the valley.
- LCC's decision regarding landfill sites would have a significant impact on Rossendale's budget.

Risk 4 – Sustainability of the County Council budget

- Risk to be re-worded to highlight that waste management was an issue impacting the Council.

- Concerns were expressed about the affect LCC's £75m savings would have on adults, children and families in the borough.

**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.

**10. STATEMENT OF ACCOUNTS 2020/21 – UNAUDITED**

10.1 The Chief Finance Officer outlined the report, which asked members to note the unaudited Statement of Accounts for 2020/21 as set out in Appendix 1. It was not normal practice to bring unaudited accounts to the Committee, however it was felt prudent due to the timeframes and significant movements due to Covid.

10.2 The following comments were made and clarifications provided:

- The report was very good, especially the narrative section which will help members of the public understand the accounts.
- The figures should not change significantly, however there may be changes to accounting treatment.
- The Chief Finance Officer and her team were thanked for their hard work in bringing the accounts up-to-date.

**RESOLVED:**

- The Audit and Accounts Committee noted the unaudited Statement of Accounts for 2020/21 as set out in Appendix 1.

**11. ACCOUNTS PUBLICATION AND AUDIT DELAYS**

11.1 The Chief Finance Officer outlined the report, which asked members to note the contents of the report.

11.2 The following comments were made and clarifications provided:

- It was acknowledged the timescales for bringing the accounts up-to-date were tight.
- A new finance system had been implemented in June which had caused some slippage, however a number of staff had now received training.
- It was noted that other Local Authorities were having issues with public sector audit challenges, not just Rossendale.
- Software was in place to assist.
- It had been difficult to interrogate data pre-2020 as none of the current team were in post at that time. It was noted that the previous Finance Manager was providing assistance.
- The Finance Team were thanked for their hard work.

**RESOLVED:**

- The Audit and Accounts Committee noted the contents of the report.

**12. EXTERNAL AUDIT PROGRESS REPORT 2018/19**

12.1 The Director of Public & Social Sector, Mazars, outlined the report which asked members to

consider the progress made on the 2018/19 audits.

12.2 The following comments were made and clarifications provided:

- The 2018/19 audit work has been started, but has been paused to enable the Council's finance team to produce the outstanding Statements of Accounts over the summer. The resulting queries would be discussed with the team and once answered, the accounts would be ready for consideration.
- It would be difficult to complete a number of years' audits in tandem. This would also create more work for the team.
- The following years' audits should become easier as knowledge is built and issues are addressed.
- The auditors were thanked for supporting the Finance Team.

**RESOLVED:**

- The Audit and Accounts Committee considered the External Audit Progress Report for 2018/19.

**13. INTERNAL AUDIT ANNUAL REPORT AND ASSURANCE OPINION 2022/23**

13.1 The Audit Manager, LCC, outlined the report which asked members to consider the Internal Audit Annual Assurance report for 2022/23. It was noted that the Rossendale Leisure Trust audit had been cancelled as this was completed by Grant Thornton.

13.2 The following clarification was provided:

- An action had been raised with the Legal Team regarding the debt collection procedure. This was being taken forward by the Head of Legal.

**RESOLVED:**

- The Audit and Accounts Committee considered the Internal Audit Annual Assurance report for 2022/23.

**14. INTERNAL AUDIT PROGRESS REPORT Q1 2023/24**

14.1 The Audit Manager, LCC, outlined the report which asked members to consider the Internal Audit Progress report for Quarter 1 2023/24. Following a meeting with the Chief Executive, two more audits had been added to the plan.

**RESOLVED:**

- The Audit and Accounts Committee considered the Internal Audit Progress report for Quarter 1 2023/24.

**15. CONSIDER THE INTERNAL AUDIT CHARTER APPROVED BY LCC**

15.1 The Head of Internal Audit, LCC, outlined the report which asked members to consider the changes and approve the Internal Audit Charter.

15.2 The following comments were made:

- The Charter was a useful document.
- It was important to maintain independence.

**RESOLVED:**

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

**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 7.25pm**

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**Signed (Chair)**

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**Date**