

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

**DATE OF MEETING: 31<sup>st</sup> July 2024**

**PRESENT: Councillor Procter (Chair)  
Councillors Bleakley, Kenyon, Norton, Payne and Woods  
Mr S McManus, Co-opted member**

**IN ATTENDANCE: Damon Lawrenson, Interim Director of Resources (s151 Officer), RBC  
Kimberly Haworth, Head of Financial Services, RBC  
Ian Walker, Service Assurance Team Leader, RBC  
Andy Dalecki, LCC Internal Auditors  
Mark Baskerville, LCC Internal Auditors  
Zaheer Abbas, LCC Internal Auditors  
Katie Kingston, Forvis Mazars External Auditors  
Glenda Ashton, Committee Officer, RBC**

**ALSO PRESENT: Councillor Walmsley**

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**1. APOLOGIES FOR ABSENCE**

1.1 Apologies were received from Councillor Harris.

**2. MINUTES OF THE MEETING HELD ON 6<sup>TH</sup> MARCH 2024**

**RESOLVED:**

The minutes of the meeting held on 6<sup>th</sup> March 2024 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 There were no public questions.

**6. CHAIR'S UPDATE**

6.1 It was noted that the Debt Management Policy would be reviewed by the Head of Legal and Head of Financial Services before being taken to the Overview & Scrutiny Committee and Cabinet. It is anticipated that the policy would be implemented in Q3 2024/25.

**7. STATEMENT OF ACCOUNTS 2023/24 – UNAUDITED**

7.1 The Interim Director of Resources presented the report, which asked members to note the contents of the unaudited accounts for 2023/24 at Appendix 1. The accounts were available thanks to the hard work of the Head of Financial Services and the Finance team.

7.2 The following comments were made and clarifications provided:

- The report was welcomed and was well presented.
- The Head of Financial Services agreed to provide feedback on the reasons for the small

reduction of businesses in Rossendale.

- Head of Financial Services to advise why Whitworth Town Council did not benefit from any collection fund surplus.
- The September deadline to clear the audit backlog did not seem feasible.
- The Committee had previously agreed to form a Cross Party Working Group to look at the Risk Register. Enquiries to be made.

**RESOLVED:**

The Audit and Accounts Committee noted the contents of the Unaudited Statement of Accounts for 2023/24 at Appendix 1.

**8. CORPORATE RISK REGISTER UPDATE Q4 2023/24**

- 8.1 The Interim Director of Resources presented the report, which asked members to note the risk consequence, mitigation action and level of risk as detailed in Appendix 1. It was noted that there were two red risks, the Stability of the Medium Term Financial Strategy and Financial Sustainability of Council Owned Leisure Assets.

**RESOLVED:**

- The Audit and Accounts Committee noted the Council's Corporate Risk Register as detailed in the report.
- Members noted the risk consequence, mitigation action and level of risk as detailed in Appendix 1.

**9. ANNUAL FRAUD REPORT 2023/24**

- 9.1 The Service Assurance Team Leader outlined the report, which asked members to consider the Annual Fraud Report for 2023/24.

- 8.2 The following comments were made and clarifications provided:

- The Council were undertaking the same kind of activities as similar size authorities in Lancashire and Greater Manchester.
- It was difficult to compare performance with like authorities as investigations were driven by referrals and the proactive work of the Fraud and Compliance Officer.
- There was no statutory requirement to employ a Fraud and Compliance Officer and some authorities did not have a specialist in post.
- In recent years rollout of real-time information from the DWP meant that routine changes in income could be identified very quickly. Where cases were identified for which benefits had been wrongly claimed, it may involve undeclared income or savings. In those cases an incorrect claim may have been made for longer before it was identified and so the overpaid amounts could be quite high.
- The Fraud and Compliance Officer was thanked for the report and her continued hard work.

**RESOLVED:**

- The Committee considered the Annual Fraud Report for 2023/24.

**10. INTERNAL AUDIT ANNUAL REPORT 2023/24**

- 10.1 The Head of Internal Audit, Lancashire County Council, outlined the report which asked members to consider the Internal Audit Annual Report for 2023/24. Three audit reports were now at draft stage and three would be finalised sooner than expected. Since the report was published audits had commenced on Payroll, Council Tax, Business Rates and

Housing Benefits.

10.2 The following comments were made and clarifications provided:

- The contract management audit had been delayed due to staffing issues in the Legal team. The timing of the audit would be reviewed and brought forward if possible.
- A third of invoices were matched retrospectively as the cost of some goods/services were not known in advance. Procedures were being followed but would be reviewed in due course.
- The use of a holding Purchase Order was suggested.
- A copy of the Internal Audit Accounts Payable report would be made available to Councillor Woods as requested.

**RESOLVED:**

- The Committee considered the Internal Audit Annual Report for 2023/24.

**11. EXTERNAL AUDIT PROGRESS REPORT**

11.1 The Audit Manager, Mazars, outlined the report, which asked members to note the contents of the report. It was noted that since the report was published, the Government had imposed a backstop date of 13<sup>th</sup> December 2024 for the publication of audited accounts for all financial years up to and including 2022/23. As the audit of 5 years accounts was unrealistic, a disclaimer opinion would be issued and then assurances provided going forward.

11.2 The Committee were advised that Mazars had joined with an American company and was now called Forvis Mazars.

11.3 The following comments were made:

- The backstop date would have a big impact on the audit of the last 5 years' accounts and would be a difficult time for all involved.
- The external auditors were thanked for their hard work.

**RESOLVED:**

- The Committee considered the External Audit progress report.

**12. ANNUAL REVIEW OF COMMITTEE TERMS OF REFERENCE**

12.1 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.

**13. 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.

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

14.1 An update was provided in relation to Standards Complaints.

**RESOLVED:**

- That the update was noted.

**15. WHISTLEBLOWING UPDATE (VERBAL)**

15.1 An update was provided in relation to Whistleblowing.

**RESOLVED:**

- That the update was noted.

**The meeting concluded at 7.06pm**

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**Signed (Chair)**

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**Date**