

MINUTES OF: THE AUDIT AND ACCOUNTS COMMITTEE

DATE OF MEETING: 24th February 2025

PRESENT: Councillor M Smith (Chair)
Councillors Bleakley, Norton, Payne, Procter and Woods
Simon McManus, Co-opted member

IN ATTENDANCE: Chris Warren, Director of Resources (s151 Officer), RBC
Kimberly Haworth, Head of Financial Services, RBC
Jodie Oatway, Empty Homes Project Officer, RBC
Andy Dalecki, LCC Internal Auditors
Mark Baskerville, LCC Internal Auditors
Katie Kingston, Forvis Mazars External Auditors
Glenda Ashton, Committee Officer, RBC

ALSO PRESENT: Councillors Lythgoe and Walmsley

1. APOLOGIES FOR ABSENCE

1.1 Apologies were received from Councillor Kenyon.

2. MINUTES OF THE MEETING HELD ON 3RD DECEMBER 2024

RESOLVED:

The minutes of the meeting held on 3rd December 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 The Contract Procedure Rules were still under review. The implementation of the Procurement Act 23 would have a bearing on the re-write.

6.2 Recruitment was underway for the appointment of a Procurement Officer which would help with implementation of the Procurement Act. It was confirmed that internal training would be provided to Officers and that contract procedure rules would be developed following this training.

6.3 The order of the agenda was amended to hear item D6 first.

7. EXTERNAL AUDIT – AUDIT COMPLETION REPORT 2023/24

7.1 The Audit Manager outlined the report which asked the Committee to consider the Audit Completion Report for the year 2023/24.

- 7.2 The following clarifications were provided:
- A strategic framework for Rossendale Leisure Trust would need to be drafted and adopted once the Council and Trust Board members had met to agree broad principles.
 - National stakeholders, such as the CLG and CIPFA were in the process of drafting practical guidelines for building back assurance.

RESOLVED:

1. The Committee noted the Audit Completion Report for 2023/24.

8. ADOPTION OF UNAUDITED STATEMENT OF ACCOUNTS 2023/24 IN LINE WITH GOVERNMENT BACKSTOP ARRANGEMENTS

- 8.1 The Director of Resources outlined the report which asked the Committee to note the contents of the report and accept the 2023/24 statutory accounts. The Committee were also asked to delegate authority to the Director of Resources, Monitoring Officer and Committee Chair to make any final amendments.

- 8.2 The following clarifications were provided:

- The Committee were asked to adopt the accounts in the likelihood there would be a modified report.
- There was a national lack of auditing resources to allow completion of audits and gain assurances. This would be the case for an unidentified number of years until there was clarity nationally on the work required to build back assurance.
- Adoption of Statutory Accounts under the backstop arrangements in light of the current national audit resource issue, would now be in line with other authorities in Lancashire.
- Robust processes were in place to produce draft accounts for auditing.
- Account discrepancies had been assessed by the Finance Team and were caused by drafting issues rather than underlying records. The auditors were happy that changes had been made to the 2023/24 accounts.

RESOLVED:

1. The Committee noted the contents of the report and accepted the 2023/24 statutory accounts as the final published accounts (at Appendix 1).
2. The Committee delegated to the Director of Resources and Monitoring Officer in conjunction with the Chair of the Audit and Accounts Committee, the ability to amend the documents to finalise the presentation of the statutory accounts to include the addition of the signed audit opinion and any referencing adjustments or minor amendments as necessary.

9. CORPORATE RISK REGISTER UPDATE QUARTER 3 2024/25

- 9.1 The Director of Resources outlined the report which asked the Committee to note the Council's Corporate Risk Register, risk consequence, mitigation action and level of risk.

- 9.2 The following clarification was provided:

- A restructure of the Economic Development Team was underway, however it was not known if the Job Descriptions and Person Specifications had been amended. Written confirmation to be provided.

RESOLVED:

1. The Audit and Accounts Committee noted the Council's Corporate Risk Register as

detailed in the report.

2. Members noted the risk consequence, mitigation action and level of risk as detailed in Appendix 1.

10. EMPTY HOMES UPDATE 2025

10.1 The Head of Financial Services outlined the report which asked the Committee to note the Empty Homes Scheme update and actions taken.

10.2 The following comments were made and clarifications provided:

- The final cost of the scheme, as at the end of January 2025, included legal and compensation payments and was in line with the latest forecasts provided.
- The scheme had helped many residents in Lancashire.
- Officers past and present were thanked for their work on the scheme.

RESOLVED:

1. The Committee noted the update on the Empty Homes Scheme and actions taken.

11. RISK MANAGEMENT STRATEGY

11.1 The Director of Resources outlined the report which asked the Committee to approve the updated strategy and propose its adoption by Cabinet. Members were asked to delegate amendments to the Director of Resources in conjunction with the Chair of the Committee.

11.2 The following comments were made and clarifications provided:

- Risks would be RAG rated using a five by five risk matrix.
- Risk Management would be considered throughout the year.
- Recommendation to be made to Cabinet that refresher training for officers and members takes place annually.
- Audit & Account Committee training needed to include Risk Management.
- Continuous red risks were monitored by the Corporate Management Team with the responsible Director monitoring and mitigating the risk.
- Recommendation to be included that red risk owners attend future Committee meetings to provide an update on their risks.

RESOLVED:

1. The Committee approved the updated Risk Management Strategy and proposed the adoption of the strategy by Cabinet.
2. Members delegated to the Director of Resources in conjunction with the Chair of the Audit and Accounts Committee the ability to amend the documents to finalise the presentation and any minor amendments as necessary.
3. To review existing training with a view to incorporating Risk Management and recommend that Cabinet approve annual refresher training for officers and members.
4. That consistent red risk owners attend Committee meetings to provide an update on their risks and provide an update on mitigation taken.

12. INTERNAL AUDIT PLAN 2024/25 PROGRESS REPORT – DECEMBER 2024 TO FEBRUARY 2025

12.1 The Head of Internal Audit outlined the report which asked the Committee to consider the Internal Audit report on progress to deliver the 2024/25 audit plan.

12.2 The following comments were made and clarifications provided:

- A copy of the Contract Procedure rules audit report would be circulated to the Committee.
- Once appointed, the Procurement Officer would provide expertise, training, support and ensure compliance checking and effective reporting.
- Concerns were expressed that the Economic Development Team were managing a number of projects and a large amount of money. Officers with delegations needed to be trained to avoid mistakes and ensure procurement was undertaken correctly.
- A written response would be provided detailing which officers had delegated powers to approve Scheme of Delegations up to £25k.
- The auditors followed up audits that had been awarded Limited Assurance to ensure agreed actions had been implemented.
- The Internal Audit Action Plan for 2025/26 would be circulated in March.

RESOLVED:

1. The Committee considered the Internal Audit report on progress to deliver the 2024/25 audit plan.

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 7.15pm

Signed (Chair)

Date