

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

**Date of Meeting: 14<sup>th</sup> March 2017**

**PRESENT: Councillor Aldred (Chair)  
Councillors Bromley, Essex, Lythgoe, Smith, Steen and  
Walmsley**

**Mr M Ali (co-opted member)**

**IN ATTENDANCE: Mr Phil Seddon, Head of Finance and Property  
Mrs Heather Green, Senior Manager, Grant Thornton,  
Auditors  
Mrs Ruth Lowry, Head of Internal Audit, Lancashire County  
Council  
Miss J Griffin, Committee & Member Services Officer  
Miss G Ashton, Committee & Member Services Officer**

**ALSO PRESENT: 1 member of the public  
Councillor Marriott and Councillor Howarth**

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## **1. CHAIR'S INTRODUCTION**

1.1 The Chair welcomed everyone to the meeting and outlined the housekeeping arrangements.

## **2. APOLOGIES FOR ABSENCE**

2.1 Apologies were received from Karen Murray, Grant Thornton, Auditors.

## **3. MINUTES OF THE MEETING HELD ON 6<sup>th</sup> December 2016.**

Councillor Essex asked if he could discuss some matters arising from the last meeting. Referring to Item 6.2 he asked for clarification on the proceedings with the legal system. The Head of Finance and property confirmed proceedings will commence this week.

### **RESOLVED:**

The minutes of the meeting held on 6<sup>th</sup> December 2016 were agreed as a correct record.

## **4. URGENT ITEMS OF BUSINESS**

4.1 The Chair confirmed that there were no urgent items of business.

## **5. DECLARATIONS OF INTEREST**

5.1 There were no Declarations of interest.

## **6. PUBLIC QUESTION TIME**

6.1 The Chair agreed to deviate from the procedure for public speaking and allow members of public present to ask questions as items on the agenda were presented. Members of the public were permitted to ask questions on items not on the agenda at this point in the meeting.

6.2 Mr Atherton queried the wording used in item D2. Quarter 3 Risk Report, advising he thought the wording was too strong. The Head of Finance and Property advised he would look into this.

## **7. CHAIR'S UPDATE**

7.1 The Chair advised an update on the Annual Fraud Report contains a Risk Management issues section, the Fraud and Compliance Officer would look to expand on this section in future reports.

Regarding Item 8.2, The Head of Internal Audit, Lancashire County Council has included a comparison of savings from the previous years to be included in the summary of National Fraud Initiative Findings report.

No further updates on the actions from the previous meetings were noted.

## **8. ROSSENDALE BOROUGH COUNCIL IMPROVEMENT PLAN - UPDATE**

8.1 The Head of Finance and Property outlined the update on the report. He highlighted the action plan and advised that Senior Management had worked through the issues concerned. Attached as Appendix one of the report.

8.2 Members and members of the public raised the following issues/questions:-

- Progress of the report was discussed.
- Responsibilities of officers in relation to the Enforcement Policy.
- Clarification and difficulties of understanding the action plan.
- Availability of the Corporate Plan and progression of points raised.

The Head of Finance and Property advised most actions had been completed and he would take back comments raised to the Management Team in relation to the progress of the report and clarification of the action plan. He also advised that the themes of the improvement plan and any outstanding matters would now transfer to the Council's revised Corporate Strategy for 2017 -2021.

**RESOLVED:**

That the report was noted and progress had been made to date on the Rossendale Borough Council Improvement Plan.

A further update would be brought back to the next meeting.

**9. QUARTER 3 RISK REPORT**

9.1 The Head of Finance and Property outlined the report and in particular the one red risk noted in the report with regard to the Medium Term Financial Strategy.

9.2 Members and members of the public raised the following issues/questions:-

- The layout and the scale of the plan
- Do members attend any Risk Management Courses?
- £1.0 million future revenue deficit.

Confirmation was given that various members had attended a number of Risk Management Courses and that the training would further reinforce the Council's risk management moving forward.

**RESOLVED:**

That the report was noted that Quarter 3 sees the Council managing its risks well.

**10. INTERNAL AUDIT ANNUAL PLAN 2017/2018**

10.1 The Head of Internal Audit at Lancashire County Council outlined the report, confirming the support to look at reducing the audit days where reasonable.

10.2 Members and members of the public raised the following issues/questions:-

- The days taken for auditing

The Head of Internal Audit at Lancashire County Council confirmed they would only charge for the service days used.

**RESOLVED:**

The report was noted and approved.

**11. INTERNAL AUDIT PROGRESS REPORT**

The Head of Internal Audit at Lancashire County Council outlined the report. Confirmation was received that progress was being made on the report.

11.1 Members and members of the public raised the following issues/questions:-

- Would the target be met in relation to the Empty Homes Project and the transfer of the properties?
- Disabled grant funding.
- Ensuring Council Tax re-banding would form part of audit testing.

11.2 The Head of Finance and Property confirmed the Empty Homes Project was on target to transfer remaining properties, although some properties were still going through the legal process and being returned to the owners. Properties were being inspected, and dealt with through an appropriate management arrangement.

Members were advised information in relation to the disabled grant funding was available through the Housing Renewals manager. He could confirm what the funds had been used for and the plans going forward if required.

**RESOLVED:**

The report was noted and approved.

## **12. EXTERNAL AUDIT PROGRESS REPORT**

The Senior Manager of Grant Thornton Auditors outlined the report. She highlighted the status of the accounts for both 2014/15 and 2015/16. She confirmed an outcome had still to be issued and information was outstanding from the HCA report in connection to the Empty Homes Project, albeit she was confident of a successful conclusion..

12.1 Members and members of the public raised the following issues/questions:-

- Had all the information been requested that the HCA needed to complete the report?
- Police investigation report in relation to the Empty Homes Project.
- Delays in reporting the accounts and any adverse ramifications.
- Time line for the completion
- Full assurance re Town Centre Development
- Pension Funds and priorities
- The risks in ensuring future balanced budgets

12.2 The Head of Finance and Property confirmed all information required had already been given to the HCA to complete their report. Rossendale Borough Council was awaiting a final letter from the HCA and a meeting would be held this week with the Chief Executive. The Police investigation was a separate investigation and no further information has been received in relation to this.

The Head of Finance and Property advised there were no adverse ramifications in relation to delays in reporting the accounts, but the information was reported and was available in the public domain.

The Senior Manager of Grant Thornton Auditors confirmed information was expected to be back from the HCA within the next few weeks.

The Head of Finance and Property and the Head of Internal Audit, Lancashire County Council confirmed in relation to pensions that several funds were being placed together for management efficiencies albeit funds were treated separately.

The Head of Internal Audit, Lancashire County Council advised that legally the Council had to issue a balanced budget and the Section 151 Officer would make a report to members of the Council should he consider this not to be achievable.

**RESOLVED:**

The report was noted and approved.

**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 they involved the disclosure of exempt information under Paragraph 1 and 2 of Schedule 12A of the Act.

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

The Chair noted that one standards complaint had been investigated and concluded on the basis of no breach of the code.

**15. WHISTLEBLOWING UPDATE (VRBAL)**

The Chair noted there was nothing to report under the Whistleblowing Update.

**The meeting commenced at 6.30pm and finished at 8.10pm**

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**Signed (Chair)**

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**Date**