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## AUDIT COMMITTEE

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**Monday, 28th November, 2022**

**Present:** Councillor Dominik Allen (in the Chair), Councillors Noordad Aziz, Bernard Dawson MBE, Peter Edwards (Vice Chair) and Carole Haythornthwaite

**Apologies** Councillor June Harrison

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**192 Apologies for Absence, Declarations of Interest, Dispensations and Substitutions**

Apologies for absence were submitted from Councillor June Harrison.

There were no Declarations of Interest, Dispensations or Substitutions notified.

**193 Minutes of the Last Meeting**

The minutes of the last meeting of the Audit Committee held on the 18<sup>th</sup> July 2022 were submitted for approval as a correct record.

**Resolved – That the minutes be received and approved as a correct record.**

NB. Councillor Aziz noted that a cross party motion to the Government to indicate that the external audit situation was not acceptable is still to be completed.

**194 Risk Management Monitoring Report**

Stuart Sambrook, Policy Manager introduced the report to inform Audit Committee of the outcome of the review of the Strategic, Generic and Operational Risk Registers.

There has been one major change to the Strategic Risk Register as below:

Area	Change	Risk Rating With Controls
<b>NEW RISK</b>		
Financial (Page 4)	<b>Risk</b> Financial Overreach :--The Council is embarking on a range of major investments supported by significant amounts of External Funding. Overspends or failure to deliver on these Projects could lead to significant additional costs falling on the Council, in terms of extra borrowing costs stemming from meeting additional project costs or the repayment of external funds. (URN:2037) <b>Risk Owner</b> Deputy Chief Executive	Medium

Stuart Sambrook discussed the control measures in place to manage the risk.

The Committee had a discussion around the risks of the funding causing financial difficulties and what impact that could have on the Council.

There has been no major changes to the Generic Risk Register but 4 minor changes to the risks detailed below:

- Failure to ensure that personal data is kept securely in accordance with Data Protection Act, GDPR and Freedom of Information Act 2000. – LOW PRIORITY
- Failure to comply with CDM Regulations. – MEDIUM PRIORITY

There has been one major change to the Operational Risk Register as below:

Area	Change	Risk Rating With Controls
<b>NEW RISK</b>		
Reputational (Page 5)	<u>Risk</u> Failure to meet statutory timescales for delivery of planning decisions (URN:2038) <u>Risk Owner</u> Head of Planning & Transportation	Medium

There are also a number of minor changes that have been made to the Operational Risk Register and they are available in Appendix 3 of the report.

Councillor Noordad Aziz requested further information regarding the operational risk no 36 – Market Hall loss of income due to low take up of market hall stalls. He would like further information on how the risk has been reviewed.

The Chair requested further information on the risk rating high regarding the strategic risk no 87 – The acquisition of key town centre buildings and delivery of a £22 million regeneration project within Accrington Town Centre.

**Resolved –** (1) That Audit Committee noted the report.  
(2) The Policy manager to update back to Committee on the requests above.

#### 195 Internal Audit Plan 2022/23 Progress Report

Mark Beard, Head of Audit & Investigations, presented a routine report to inform Members of the Audit Reports issued during the period July 2022 – October 2022 and to bring to the attention of the Committee what the key issues were.

The report included a list of the audit areas and any key issues, a summary of which is provided below:

- **Civil Contingencies – Substantial assurance**
  - The audit found, as a result of test calls carried out both during and outside normal working hours that the process was not followed correctly and none of the 3 nominated Emergency Planning Officers was alerted to the test incident.
  - The audit agreed with the Emergency Planning Officer that the process would be reviewed and consideration would be given to have a rota in place for Emergency Planning Officers both inside and outside of working hours. There are 3 Officers on the list so consideration needs to be made to increase the number of Officers on the list to cover leave and sickness. It was agreed that Switchboard staff need to be briefed on current processes for when a civil contingency related call is received during working hours.
- **Engineers – Comprehensive assurance**
  - No issues arising.
- **Disabled Facilities Grants (Better Care Fund) – Substantial assurance**
  - The audit found that an agreement in place between Hyndburn Borough Council and an external organisation requires renewing as reduced fees had been negotiated due to budget pressures but the new lower fees were not reflected in the agreement between the Council and the external organisation.
  - Management agreed a new agreement will be put in place to reflect the changes.
- **Council Tax Write offs – Comprehensive assurance**
  - No issues arising.
- **Mobile Telephony – Substantial assurance**
  - The audit could not ascertain from the sample of mobile phone users chosen that all were aware of the Communications Policy. It was agreed with Management that all employees issued with a Council mobile phone are aware of the Communications Policy.
- **Markets – Substantial assurance**
  - Management agreed that consideration would be given to the installation of a networked device in the Porters Office to enable them to access training, internal communications, email etc. as they currently use an Officer's PC and that Officer's log-in which breaches internal policies.

- **Waste Collection and Recycling – Comprehensive assurance**
  - No issues arising.

The Chair was very pleased with the projected out-turn of 88.37% completed audits for 2022/23.

**Resolved – That the report be noted by the Audit Committee.**

**196 Audit Committee Self-Assessment 2022**

Mark Beard, Head of Audit & Investigations presented the report to inform members of the results of the self - assessment process that members of the committee have carried out and for the Audit Committee to determine what the next steps, if any, should be.

The report refers to and has been based upon the CIPFA publication “Audit Committees – Practical Guidance for Local Authorities and Police 2018 Edition” however the Head of Audit & Investigations informed the Committee a more recent version has recently been published for 2022.

The assessment was carried out by all 6 members of the Audit Committee and the results have been amalgamated thus anonymising who said what.

The Head of Audit & Investigations talked through the questions and the responses, clarifying the points for members and comments for the Committee to consider.

The group had a discussion following a section of question 12 – *Consideration has been given to at least one independent member to sit on Audit Committee*. This is currently not mandatory although it may become mandatory and the Council will address this at this point.

The Chair confirmed he had attended the CIPFA Training for Audit Committee.

The Committee all agreed it was a helpful exercise to have undertaken and agreed to reflect on the answers for a further discussion next year.

**Resolved – (1) That the report be noted by Audit Committee.  
(2)That this item returns to Audit Committee in March 2023.**

**197 External Review of Internal Audit**

Mark Beard, Head of Audit & Investigations gave a brief verbal update to the committee on the recent External Review of Internal Audit.

This takes place every 5 years. Internal staff have been interviewed and there has been a self assessment against the standards which includes 3 themes.

There will be a formal detailed report discussed at the next Committee in March 2023.

## 198 Statement of Accounts

The Head of Accountancy presented the report to inform the Audit Committee on the production of the Annual Accounts and their External Audit and to discuss any issues arising from the work.

The key achievements for 2020/21 were discussed and set out below:

- Secured £2 million external funding for the Decarbonisation Scheme.
- Achieved One Carbon World Neutral Gold Standard by reducing its carbon footprint.
- £492,000 Community Champions award (highest amount across Lancashire).
- Queen Awards for Voluntary Services in Hyndburn with Maundy Relief and Community Solutions;
- Business Compliance promoting good practice amongst premises, preventing outbreaks from premises and require high standards of control measures, and protect public from unacceptable risks through strong enforcement.
- Providing Working from Home opportunities to employees.
- Online Council meeting transition despite obstacles.
- 7,733 tonnes of dry waste recycled (increase of 23% compared to previous year).
- 100% of playground inspections were completed each week.
- Revenue teams were very busy throughout pandemic supporting our businesses, designing and delivering new Covid-19 related grants to businesses and were nationally recognised at press conference from Downing Street for their excellent performance.
- 93.34% of Council Tax Collection with 89.3% of NNDR Collection.
- 68.5% Direct Debit take up for Council Tax.
- 66,861 (65% increase) of email enquiries to the CCC.
- Increase take up of e-services for revenues and benefits services for Council Tax from 27% to 40%; and Business Rates 29% to 40%.
- On-line applications for Housing Benefit and Council Tax Support from 45% to 50% and Change of Circumstances to 10%.
- Licensing team updated their procedures so that all taxi and private hire applications can be completed online.
- CVMU created a new taxi driver non-contact waiting areas to ensure taxi testing follows a socially distanced system.
- Taxi screens offered to taxi's these offer protection against the virus as well as a really effective and simple way for us to promote key messages.
- Supporting contact tracing and vaccination update.

- Helped clinically extremely vulnerable residents to stay safe at home by establishing an operational Covid hub in a week, providing thousands of meals, shopping services and medicine collections.
- Supported local businesses with over £30m in urgent grants by being the fastest district authority nationally for the provision of initial critical financial aid.
- Reduced the number of households living in cold homes due to winter fuel poverty by providing support for fuel payments as well as essential household goods to keep families and individuals warm.
- Reduced food insecurity for hundreds of households by establishing a food solutions network, distributing funding to local food banks and began exploring contemporary food insecurity policies with the aim of reducing food insecurity in Hyndburn in the longer term.
- Alleviated loneliness and isolation felt by our vulnerable residents by making hundreds of out-bound calls including over the Christmas period to check in a chat and ensure that no one was hungry, cold or lonely.
- Help set up the Hyndburn Community Champions Network which meets every fortnight, it includes 90 people, representing 51 groups and organisations.
- The Hyndburn Hub is a finalist in the Hyndburn Business Awards for the Pride of Hyndburn category.

The Financial position and performances measures were discussed along with the key growth projects.

The draft accounts were completed and published on the Council's website in July 2020. Subsequently, Mazars, our external auditors, have undertaken their onsite audit of the accounts and work is close to completion.

Thanks to all staff in the Council for their performance and contribution on this piece of work was noted to the Committee.

Councillor Aziz proposed the committee to wait until the accounts had been completed and set up another committee to sign these off in the future. The Committee then had a vote on this proposal but the majority was against it.

**Resolved – (1) That the Audit findings report be noted by the Audit Committee.**

**(2) That the Audit Committee delegated approval to the Chair of the Audit Committee to sign the Council's Statement of Accounts for 2020/21 following completion of the external audit work.**

**(3) That the Audit Committee delegated approval to the Chair of the Audit Committee to approve and sign the letter of representation.**

## 199 External Audit Completion Report - Year Ended 31st March 2021

Daniel Watson, External Auditor of Mazars attended the meeting to present the Audit Completion Report for the year ended 31<sup>st</sup> March 2021. He discussed the key

messages in the report to the Committee. The Audit has been a true and fair view of the accounts, just a small number of audit areas outstanding but no significant impact to their audit opinion. In the significant findings section, 3 risks had been identified, discussed with the accounts team and a plan of action has been set. The external auditors acknowledged difficulties within the year and asked for a thankyou to be placed on record to Joe McIntyre, Deputy Chief Executive and his Finance Team.

The internal control findings and recommendations have been set and prioritised for the required actions to be completed.

The Committee were happy and agreed the summary of misstatements within the report.

The work is ongoing for the Councils arrangements for the year ended 31<sup>st</sup> March 2021, it was noted that there are some weaknesses in the financial reporting process which the Council will address and put in place for future financial reporting.

**Resolved – That the Audit Committee noted the report.**

Signed:.....

Date: .....

Chair of the meeting  
At which the minutes were confirmed