AUDIT COMMITTEE

Monday, 29th June, 2026

Present: Councillors Mike Booth, Stephen Button (Vice Chair), Paul Brown and Shabir Fazal OBE

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50 Apologies for Absence, Declarations of Interest, Dispensations and Substitutions

Apologies for Absence were given by Councillors Noordad Aziz and Zak Khan.
The committee was joined by External Auditor Karen Murray (Forvis Mazars)

No Declarations of Interest were given.

51 Minutes of the Last Meeting

The Minutes of the last Audit Committee held on the 16th February 2026 were submitted for approval as a correct record.

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

52 Annual Internal Audit Report and Opinion

Senior Auditor Angela Kelly presented the report to Committee to inform and update on the Annual Internal Audit Report and Audit Opinion for 2025/26.

Highlighting that The Head of Audit & Investigations issued a positive opinion on the systems of Internal Control based on the work carried out in 2025/26.
The opinion score slightly improved from 1.53 in 2024/25 to 1.47 in 2025/26.
The number of recommendations increased from 13 in 2024/25 to 15 in 2025/26.

Internal Audit did not identify any issues in 2025/26 during their audit work that would have a material effect on the Council's Financial Statements achieving audit plan coverage of 95.96% in 2025/26. This was 2.04% below the annual target of 98% but 5.53% higher than audit plan coverage in 2024/25.

Details on the performance were given on the Internal Audit Team and final outturn position for 2025/26.

The audit engagement was the Payroll System. Whilst this was given 'Limited Assurance,' this did not have any material effect on the Council's Financial Statements.

Each Audit Report is given an audit assurance opinion based on the issues identified and reported by Internal Audit.

Comprehensive Assurance – 7 issued
Substantial Assurance – 6 issued
Limited Assurance – 1 issued
No Assurance – 0 issued

Resolved – The committee noted the 2025/2026 Annual Internal Audit Report and Opinion.

53 Internal Audit Plan Progress Report

Angela Kelly presented the Audit progress report for March 2026 to May 2026.

There was a target of 98% of the audit plan to be completed by the end of 2025/26 financial year in terms of audit days completed. Position of plan completed at the end of March 2026 was 95.96%. A breakdown of these figures is shown on page 38 of the report.

The summary of the main issues arising from audits carried out March 2026 – May 2026 showed controls are consistently being applied obtaining comprehensive assurance.

ICT procurement was issued substantial assurance with a recommendation to action on page 40 of the report.

Resolved – The Audit Committee noted the report for information.

54 Internal Audit Strategy 2026-2028

Angela Kelly presented the Internal Audit Strategy 2026-2028.

Introducing Internal Audit's vision, objectives and supporting initiatives, also highlighting the four key themes which align with the organisations ambitions and values which are gradually being developed through monitoring and review processes.

Members discussed Local Government Reorganisation and the impact it may have on the council's strategy and staff. Martin Dyson (Executive Director of Finance) reassured the committee that the crucial Peer reviews have shown great confidence in HBC

Resolved – The committee Approved the Internal Audit Strategy 2026-2027

55 Internal Audit Charter 2026

Angela Kelly Senior Auditor briefed the committee on the Internal Audit Charter and Mandate which reflects both good working practices and to ensure it remains aligned with the Global Internal Audit Standards (GIAS).

Angela explained that the 2026 version of the Internal Audit Charter establishes the framework within which Hyndburn Borough Council's Internal Audit Service operates to best serve the council and to meet its professional obligations under the GIAS.
It also details the legislative basis for Internal Audit and its authority within the council.

The updated Internal Audit Charter and Mandate 2026 is published as appendix 1 starting on page 53 of the agenda

Resolved – The Audit Committee Approved the 2026 Internal Audit Charter and Mandate.

56 Global Internal Audit Standards - Self Assessment 2026

Angela Kelly presented the table of the Internal Audit's Self-Assessment against the Global Internal Self-Assessment Audit Standards (GIAS)

This information demonstrated that the self-assessment of the Internal Audit Team generally conforms with the GIAS and consequently the work undertaken by the Internal Audit Team in conjunction with audit engagement output are in accordance with the GIAS.

Resolved – The Audit Committee noted the content of this report for informational purposes.

57 Accounting Policies to be used to prepare the Statement of Accounts 2025/26

Mr Martin Dyson, Executive Director of Finance updated the committee on the policies (APPENDIX 1 pg77) which the Council will apply to produce their Annual Statement of Accounts for 2025/26, summarising the Authority's transactions for 2025/26 financial year and its position at the year-end 31st March 2026.

Resolved – That the Committee notes the use of the Accounting Policies as set out in Appendix 1 for the preparation of the Council's Statement of Accounts 2025/26.

Signed:……………………………………………

Date: ………….………………………………………

Chair of the meeting
At which the minutes were confirmed