

---

## AUDIT COMMITTEE

---

**Monday, 6th March, 2023**

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

**Apologies** Councillor Noordad Aziz and Martin Dyson

---

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

Apologies for absence were submitted from Councillor Noordad Aziz.

Councillor Jodi Clements substituted for Councillor Noordad Aziz.

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

**308 Minutes of the Last Meeting**

The minutes of the last meeting of the Audit Committee held on the 28<sup>th</sup> November 2022 were submitted for approval as a correct record.

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

**309 Audit Plan 2022/23 Progress Update**

Mark Beard, Head of Audit & Investigations, presented a routine report to inform Members of the reports issued during the period November 2022 – January 2023 and to bring to the attention of the Committee what the key issues were.

A summary of which is provided below:

**Homelessness - Comprehensive assurance**

- No issues arising.

**Transfer of Assets - Substantial assurance**

- The audit found that there was a lack of clear defined process / policy for the transfer of assets. Whilst each case is treated in its own right and is subject to scrutiny by Cabinet approval and signed off by the appropriate Directors and Head of Service, the terms and conditions applied are not necessarily consistent in each case.
- It was agreed with Management that consideration is given to the development of a Transfer of Assets Policy. This would include the principles and process the Authority will use to manage applications for the transfer of

assets, and will take into account the relevant legislations surrounding market value and disposal of assets.

#### **Townscape Heritage Initiative - Comprehensive assurance**

- No issues arising.

#### **Cash-flow Management - Comprehensive assurance**

- No issues arising.

#### **General Data Protection Regulations (GDPR) - Substantial assurance**

- As there has been staff turnover in many areas across the Council, the audit found examples where staff had not received formal training on GDPR. It was agreed with Management that refresher training would be carried out for all staff and ensure all new staff were included in this.
- The audit found that the Human Resources Team had requested details of any employee accident documentation so that it could be retained on the employee's file in case of any future insurance claims. This had not been actioned and the audit recommended that this be done.

#### **Early Retirement / Voluntary Redundancy (ER/VR) - Comprehensive assurance**

- No issues arising.

The position as at the end of January 2023 is 73.61% of completed audits for 2022/23.

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

#### **310 Follow Ups Update**

Mark Beard, Head of Audit & Investigations, presented a routine report to inform Members of the outcome of routine follow-ups following the previously agreed action plans for completed Audit Reports.

The report covered the period July 2022 – February 2023 and details of the follow-ups carried out and actions implemented.

The Committee went through the follows ups carried out detailed in Appendix 1.

- Civil Contingencies
- Asset of Community Value

- Property Management Rent Income – 1 outstanding action, which is being looked into as it, requires compliance with GDPR.
- Safeguarding

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

**311 Annual Internal Audit Plan 2023/24**

Mark Beard, Head of Audit & Investigations, presented the report to Audit Committee to inform them of the Internal Audit Plan for the financial year 2023/24.

The Internal Audit Plan is set annually and monitored monthly and forms the work plan of the Internal Audit Team for the year.

There has been 9 audit area amendments made to the plan and 1 audit area added to the plan. Each area goes through a scoring matrix and there is 25 audit areas on the plan for 2023/24.

The committee talked through the Internal Audit Plan and the areas set detailed as appendix 1.

**Resolved – That the Audit Committee approved the Internal Audit Plan for the financial year 2023/24.**

- **That the Audit Committee granted delegated authority to the Head of Audit & Investigations to make any minor amendments to the Internal Audit Plan if proposed by Corporate Management Team on the 15<sup>th</sup> March 2023.**

**312 External Peer Review of Internal Audit**

Mark Beard, Head of Audit & Investigations, informed the Audit Committee of the outcome of the mandatory external inspection of Hyndburn's Internal Audit Team against the requirements of the Public Sector Internal Audit Standards.

Mark Beard presented the final report of the external inspection team.

The summary findings on the area of focus were as follows:

Purpose & Positioning – Conforms  
 Structure & Resources – Conforms  
 Audit Execution – Conforms

Overall Judgement – Conforms

The Peer Review was an extremely positive exercise, good feedback from all the interviewees and the Internal Audit Team have been delighted with the results.

There were 5 points identified for consideration, which were, classed as minor observations as set out in Appendix C.

It was requested that Audit Committee meet at least four times per year, rather than three as per our scheduled timetable. The consideration of two independent members to join the Audit Committee in the future, although this is only best practice not mandatory.

The Chair thanked Mark and his team for the brilliant results.

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

- That Democratic Services revise the meeting timetable to add an additional Audit Committee into the schedule.**

### **313 Audit Committee Training Needs**

Mark Beard, Head of Audit & Investigations talked through the report to discuss the training needs of the Audit Committee following the self-assessment that had been completed in 2022.

The Committee talked through the 6 questions listed in item 3.5 as key points to consider.

Councillor Clements suggested all Councillors should complete a skill set audit to evaluate which committees they would sit best on.

**Resolved - That the Head of Audit & Investigations to look at previous training carried out to use as refresher training.**

- That Democratic Services collate the answers from Audit Committee Members from item 3.5 to move forward to the next meeting.**

### **314 External Audit Progress Report**

Daniel Watson, External Auditors of Mazars attended the meeting to present the Audit Progress Report.

The audit for the 2020/21 financial statement is substantially complete and the results will be produced to Audit Committee in the follow up letter at the conclusion of the audit.

They are due to complete the fieldwork on the arrangements for the 2020/21 to report the findings on the Authority's value for money arrangements in the Auditors annual report.

Councillor Jodi Clements raised a question on the value for money work when the financial statement is not complete. Daniel Watson responded that the audit is virtually complete, there will be a separate report on value for money and 2021/22 will come in due course.

External Audit emphasised how it's not been an easy task taking over from the previous External Auditors and playing catch up, they are at a point now where they want to go forward and catch up on this year's work.

The audit of the Authority's 2021/22 financial statements has progressed, due to some information not being available from the Council, the work is programmed to commence in September 2023.

The 2022/23 Audit is scheduled to be completed by March 2024.

**Resolved – That the report to be noted for informational purposes.**

Signed:.....

Date: .....

Chair of the meeting  
At which the minutes were confirmed