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# AUDIT COMMITTEE

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**Monday, 25th March, 2024**

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

**Apologies** Councillor Noordad Aziz

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

Apologies for absence were submitted for Councillor Noordad Aziz.

There were no Declarations of Interest or Dispensations notified.

**373 Minutes of the Last Meeting**

The minutes of the last meeting of the Audit Committee held on the 18<sup>th</sup> December 2023 were submitted for approval as a correct record.

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

**374 Review of Benefits and Revenues Administration**

Mr Lee Middlehurst, Head of Benefits, Revenues and Customer Contact presented the report to the Committee.

He updated the committee on the recent review of the administration of Benefits, Revenues and Customer Contact Centre.

The review focussed on all aspects of the billing, collection and recovery processes for Council Tax and Business Rates, incorporating the published in-year collection rates, and published collection rates for previous years arrears.

The review provided a number of recommendations to be implemented across the services however, the Council received great feedback and Hyndburn have been recommended as a reference site for other local authorities to contact us for our Housing Benefits processes and telephony provision.

The current collection rate for Council Tax is 94.5%, Mr Martin Dyson, Executive Director of Resources, informed the Committee that Lancashire County Council had recently announced a project would be starting in the coming months to look across all authorities to get the collection rate up to 96%.

Members had some questions around the services provided, were answered and Mr Middlehurst informed the Members if they had further questions he would be happy to meet separately.

**Resolved – That the report was noted for informational purposes.**

### **375 Audit Plan Progress Report**

Mr Mark Beard, Head of Audit & Investigations presented the report to the Committee.

He informed Members of the Committee of the audit reports issued during the period December 2023 to March 2024 and what the key issues were.

The current position of audit plan completion was 83.61% at the end of February.

The main issues arising from the audits carried out were outlined in the report as follows:

- Flexi Scheme – Substantial assurance
- Disaster Recovery – Comprehensive assurance
- Constitution & Regulations – Substantial assurance

**Resolved – That the report was noted for informational purposes.**

### **376 Follow Ups Progress Report**

Mr Mark Beard, Head of Audit & Investigations talked through the report to the committee members informing them of the outcome of routine follow-ups following the previously agreed action plans for completed audit reports. The follow-ups detailed within the report were carried out during December 2023 to March 2024.

The follow-ups were as follows:

- Data Security & Storage – 1 action agreed implemented.
- Member's allowances – 1 action agreed implemented.
- Food Team – 1 action agreed implemented.
- Pest Control – 7 actions agreed implemented.

**Resolved – That the report was noted for informational purposes.**

### **377 Annual Internal Audit Plan 2024/25**

Mr Mark Beard, Head of Audit & Investigations informed the committee of the Internal Audit Plan for the financial year 2024/25 and requested approval.

The Internal Audit Plan forms the work plan for the Internal Audit Team for the financial year; it is risk based and is set annually which is cross reference to the Council's risk registers.

Mr Beard discussed the amendments and additions made to the Audit Plan which reflect changes that have occurred with the Council.

The Audit Plan has 12 high risks and 15 medium risks included and all information was detailed in Appendix 1 of the report.

Councillor Carole Haythorntwaite asked for clarity around Empty Properties and Mr Beard confirmed this audit area had been merged with Housing Standards within Establishments audits.

**Resolved - That the internal audit Plan for the financial year 2024/25 be approved.**

### **378 Draft Statement of Accounts 2022/23**

Mr Martin Dyson, Executive Director of Resources informed the committee on the production of the Annual Accounts and their External Audit and how the issues have been dealt with arising from the work.

A copy of the unaudited accounts for 2022/23 was placed on the Council's website on the 23<sup>rd</sup> February 2023.

Mr Dyson talked through the attachment of the draft accounts to the committee and key highlights were as follows:

- The Council have a strong balance sheet.
- There are low levels of borrowing.
- Key achievements in 2022/23 – secured £40M levelling up funding, decarbonisation scheme at Scaitcliffe House, Hyndburn Leisure Centre and Cemeteries, secured our 10<sup>th</sup> Green Flag – the most of any Lancashire district, 2,500 fixed penalty notices issued, over 24,000 visitors to Haworth Art Gallery and completed over 1000 pest control jobs in households.
- 2.8% underspend in 2022/23 – a saving of £345K.
- Major projects discussed.

Mr Dyson thanked every member of staff who helped contribute to these accounts for 2022/23 and looked forward to working with Mazars (External Auditors) in the future.

There has been a significant amount of accounts not audited due to resources, internal changes and update of legislation and regulations.

Members has some questions around the underspends and uncompleted projects.

**Resolved – That the Council's Draft Statement of Accounts for 2022/23 was noted. And; That the failure to submit the Draft statement of accounts by the statutory deadline of the 31<sup>st</sup> July 2023 was noted.**

### **379 Progress Update on Annual Statement of Accounts**

Mr Martin Dyson, Executive Director of Resources updated the committee on the Council's status of the production of their Annual Statement of Accounts, the External Audit progress and the national position regarding the backlog of external audit work.

The committee were also notified of the outcome of an external review of the Council's financial health undertaken on the published draft statement of accounts for 2022/23.

The external audit of the 2021/22 accounts is underway and is expected to be completed by July 2024. Mr Dyson discussed the factors in the delay of the production of the accounts and the subsequent audit delay.

The external audit for the 2022/23 accounts does not have a formal timeframe agreed to date. Mr Dyson discussed a known discrepancy in the recalculated figures provided by the pension actuary which is now resolved.

The external review analysis (appendix A) was discussed and the overall conclusion from this review is that the Council appeared to have a relative strong and stable health, lower than average borrowing and a healthy balance sheet with increased levels of resources to manage risk.

- Resolved – That the Audit Committee notes the updates provided on 2021/22 and 2022/23 Statement of Accounts and External Audits.**
- That the Audit Committee notes the update on the national position of the external Audits and the work being undertaken by the relevant bodies to find a solution(s) to the backlog.
  - That the Audit Committee notes the findings of the external review of the Council’s financial health in appendix A.

**380 External Audit - Audit Strategy Memorandum**

Ms Yogita Das-Patel, Engagement Manager at Mazars attended the committee to update Members on the External Audit Strategy Memorandum for the year ending 31 March 2022.

Ms Das-Patel talked through the report and discussed the audit scope and approach. The audit planning commenced in January 2023, the fieldwork had taken place between February – March 2024 and completion is set for August 2024.

The risks identified and their planned response and procedures were discussed with Members.

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

**381 Appointing of Non Elected Members to Audit Committee**

Mr Mark Beard, Head of Audit & Investigations informed Members of the current position of recruiting a non - elected member to the Committee.

The subject had been discussed previously following the independent review conducted last year.

Around 40% of Audit Committees have recruited a non - elected member onto their committees. Although this is not mandatory at present, it will need to be looked at and agreed in the future.

Mr Beard will continue to look at this and develop into 2024.

**Resolved – To note the update.**

Signed:.....

Date: .....

Chair of the meeting  
At which the minutes were confirmed