



Draft Auditor's Annual Report
Hyndburn Borough Council – year ended 31 March 2025
November 2025

Contents

- 01** [Introduction](#)
- 02** [Audit of the financial statements](#)
- 03** [Our work on Value for Money arrangements](#)
- 04** [Other reporting responsibilities](#)

Our reports are prepared in the context of the 'PSAA Statement of Responsibilities of Auditors and of Audited Bodies' and the 'Appointing Person Terms of Appointment' issued by Public Sector Audit Appointments Limited. This document is to be regarded as confidential to Hyndburn Borough Council . It has been prepared for the sole use of the Audit Committee as those charged with governance. We do not accept any liability or responsibility to any other person in respect of the whole or part of its contents.

01

Introduction

Introduction

Purpose of the Draft Auditor's Annual Report

Our Draft Auditor's Annual Report ('AAR') summarises the work we have undertaken as the auditor for Hyndburn Borough Council ('the Council') for the year ended 31 March 2025 to date. Although this report is addressed to the Council, it is designed to be read by a wider audience including members of the public and other external stakeholders. This report is draft as we have not completed our work on the financial statements audit, nor the work on the Council's Value for Money ('VFM') arrangements. Under the Code of Audit Practice ('the Code') issued by the National Audit Office, we are required to issue a draft of our Auditor's Annual Report to the Audit Committee by the 30 November following the year end for each year, where we have not completed the audit by this date.

Our responsibilities are defined by the Local Audit and Accountability Act 2014 ('the 2014 Act') and the Code. The remaining sections of the draft AAR outline how we have discharged these responsibilities and the findings from our work. These are summarised below.



Opinion on the financial statements

We plan to issue our audit report by the end of February 2026, in line with the national timetable. Our opinion on the financial statements will be disclaimed.



Value for Money ('VFM') arrangements

From the work completed so far, we are satisfied that arrangements were in place for the Council to secure economy, efficiency and effectiveness in its use of resources. We are satisfied the Council has addressed the significant weaknesses identified in previous years. Previously issued recommendations were in relation to a significant weaknesses in governance arrangements in respect of the delay in production of accounts, poor quality of financial statements submitted for the audit and difficulties in dealing with the audit queries.

Section 3 provides our commentary on the Council's arrangements and a summary of our previously issued weaknesses and recommendations, including the progress that the Council has made to address the weakness in 2024/25.



Wider reporting responsibilities

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounting records of the Council and to consider any objection made to the accounts. We confirm no objections or questions from local electors, nor any such correspondence from electors has been received.



Reporting to the group auditor

The NAO, as group auditor, require us to perform specific procedures in support of their work on the Whole of Government Accounts ('WGA'). We are yet to receive the full group audit instructions from the NAO and as such as cannot yet undertake work on the Council's Whole of Government Accounts (WGA) return.

02

Audit of the financial statements

Audit of the financial statements

Our audit of the financial statements

Our audit will be conducted in accordance with the requirements of the Code, and International Standards on Auditing (UK) (ISAs). The purpose of our audit is to provide reasonable assurance to users that the financial statements are free from material error. We do this by expressing an opinion on whether the statements are prepared, in all material respects, in line with the financial reporting framework applicable to the Council and whether they give a true and fair view of the Council's financial position as at 31 March 2025 and of its financial performance for the year then ended.

We anticipate issuing a disclaimed audit opinion on the 2024/25 financial statements. This means our audit report will not express an opinion on the financial statements, and no assurance will be provided. It is necessary to issue a disclaimer of opinion as amendments to the Account and Audit Regulations in 2024 introduced a statutory deadline for publication of the Council's financial statements for the 2023/24 and earlier financial years. We were unable to complete the audit procedures necessary to obtain sufficient appropriate audit evidence on which to base our opinion before the date the Council published its audited financial statements and as such three years of disclaimed audit opinions were issued in December 2024 and February 2025. There is insufficient time available to complete all the work required to issue an unqualified opinion on the 2024/25 financial statements ahead of the national deadline at the end of February 2026. The work to rebuild assurance following a disclaimer opinion is significant, particularly given the number of years subject to a disclaimed opinion in Hyndburn Council's case. Our focus through 2024/25 and into 2025/26 is on assessing the risks of material misstatement in the opening balances which are derived from the financial statements that have had a disclaimer opinion.

03

Our work on Value for Money arrangements

VFM arrangements

Overall Summary



VFM arrangements – Overall summary

Approach to Value for Money arrangements work

We are required to consider whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out and sets out the reporting criteria that we are required to consider. The reporting criteria are:



- **Financial sustainability** – How the Council plans and manages its resources to ensure it can continue to deliver services.
- **Governance** – How the Council ensures that it makes informed decisions and properly manages its risks.
- **Improving economy, efficiency and effectiveness** – How the Council uses information about its costs and performance to improve the way it manages and delivers its services.

Our work is carried out in three main phases.

Phase 1 – Planning and risk assessment

At the planning stage of the audit, we undertake work so we can understand the arrangements that the Council have in place under each of the reporting criteria; as part of this work we may identify risks of significant weaknesses in those arrangements.

We obtain our understanding of arrangements for each of the specified reporting criteria using a variety of information sources which may include:

- NAO guidance and supporting information;
- Information from internal and external sources, including regulators;
- Knowledge from previous audits and other audit work undertaken in the year; and
- Interviews and discussions with officers.

Although we describe this work as planning work, we keep our understanding of arrangements under review and update our risk assessment throughout the audit to reflect emerging issues that may suggest there are further risks of significant weaknesses.

Phase 2 – Additional risk-based procedures and evaluation

Where we identify risks of significant weaknesses in arrangements, we design a programme of work to enable us to decide whether there are actual significant weaknesses in arrangements. We use our professional judgement and have regard to guidance issued by the NAO in determining the extent to which an identified weakness is significant.

Phase 3 – Reporting the outcomes of our work and our recommendations

We are required to provide a summary of the work we have undertaken and the judgments we have reached against each of the specified reporting criteria in this draft AAR. We do this as part of our commentary on VFM arrangements which we set out for each criteria later in this section.

We also make recommendations where we identify weaknesses in arrangements or other matters that require attention from the Council. We refer to two distinct types of recommendation through the remainder of this report:

- **Recommendations arising from significant weaknesses in arrangements** – we make these recommendations for improvement where we have identified a significant weakness in the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. Where such significant weaknesses in arrangements are identified, we report these (and our associated recommendations) at any point during the course of the audit.
- **Other recommendations** – we make other recommendations when we identify areas for potential improvement or weaknesses in arrangements which we do not consider to be significant, but which still require action to be taken.

The table on the following page summarises the outcome of our work against each reporting criteria, including whether we have identified any significant weaknesses in arrangements, or made other recommendations.

VFM arrangements – Overall summary

Overall summary by reporting criteria

Reporting criteria	Commentary page reference	Identified risks of significant weakness?	Actual significant weaknesses identified?	Other recommendations made?
 Financial sustainability	11 – 14	No	No	No
 Governance	15 – 18	No – but previously reported significant weakness.	No – previously reported significant weakness has been addressed.	No
 Improving economy, efficiency and effectiveness	19 – 20	No	No	No

VFM arrangements

Financial Sustainability

How the body plans and manages its resources to ensure it can continue to deliver its services



VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria

Background to the Council's operating environment in 2024/25

During 2024/25 the Council continued to face significant challenges, against a backdrop of an adverse national economy and a cost-of-living crisis including increases in energy prices and inflation which has impacted general commodity prices, which has led to wage inflation. Despite this the Council had another year where it was able to add to its financial reserves. Council revenues have continued to recover and return to pre-pandemic levels. The Council continued to manage its costs during the year with a reduction in net expenditure, with overspends being mitigated through additional income and central efficiencies.

2024/25 Financial Statement performance

We have carried out a high-level analysis of the unaudited financial statements, including the Comprehensive Income and Expenditure Statement, Movement in Reserves Statement and the Balance Sheet.

The Council's financial position as reported in the balance sheet for 2024/25 does not give us cause for concern relating to financial stability. Investment balances have increased from 24.5m to £33.5m, this represents an improvement in total current assets, whilst long term borrowing remains stable at £9.8m. Though there is a reduction in cash balances, the council has repaid the bank overdraft, and the Council continues to have adequate liquidity.

The Council's useable reserves have increased from £26.7m in 2024 to £30.2m in 2025. These reserves provide some mitigation against future financial challenges and will assist in addressing future volatility and support savings and efficiencies plans and the capital programme. Notwithstanding this, our work has not highlighted a risk of significant weakness in the Council's arrangements for ensuring financial sustainability.

	31 March 2024 £m	31 March 2025 £m
Cash/ Cash Equivalents	3.7	3.1
Total Current Assets	35.3	39.6
Share of Net Pension Fund Liability	(5.9)	(5.2)
General fund (Unallocated)	2.4	2.46
Earmarked Reserves	19.1	15.7
Capital reserves	5.2	12
Total usable reserves	26.7	30.2

We also reviewed the financial performance in 2024/25. Council agreed the Revenue Budget for 2024/25 with a total revenue spend in 2024/25 of £16.122m. The revenue outturn position for the 2024/25 financial year was a total spend for the Council of £15.747m. This gives a revenue underspend on net expenditure of £0.375m and a net total underspend of £0.433 compared to the budget set at the start of the year.

The Council maintains a prudent level of usable reserves which can be deployed to bridge funding gaps, if necessary. Unallocated General Fund reserves are held at a minimum of £1m to provide resilience against unforeseen events. However, the current balance of unallocated reserves is c.£2.4m.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria – continued

Financial planning and monitoring arrangements

The Council prepares a three year Medium Term Financial Strategy (MTFS) which sets out the resources available to deliver the Council's Corporate Priorities as it works towards its driving growth and prosperity goals. The MTFP provides the framework for transforming services so the Council can meet the needs of people locally whilst providing and improving value for money.

Budget monitoring reports have been presented to Cabinet on a quarterly basis. We reviewed a sample of reports presented through the year, together with the outturn report received in June 2025 as required by the CIPFA Financial Management. The reports contain appropriate detail on significant variances to budget and an explanation of the pressures. Cabinet also receives regular information on progress against the approved capital programme together with the reasons for over or underspends against the budget profile. These reports provide for effective scrutiny and oversight by members..

Arrangements for the identification, management and monitoring of funding gaps and savings

The MTFS is a three year plan which sets out the Council's commitment to provide quality services that meet the needs of people locally and that represent good value for money within the overall resources available. The MTFS is updated annually. A strategy is in place for 2025/2026 to 2027/2028 and includes an updated action plan for the process and arrangements for reporting on progress to date.

A key part of the strategy is to highlight the budget issues that will need to be addressed by the Council over the coming financial years, by forecasting the level of available resources from all sources and budget pressures relating to both capital and revenue spending as well as assessing whether sufficient reserves and provisions are held for past and unknown events which may impact on the Council's resources. The MTFS is closely interlinked to other Council plans and strategies (for example the Corporate Strategy, Capital programme, annual pay award and Annual Revenue Budget).

The Council has in place an embedded budget setting process in place, with input from Service Managers throughout the year to update Service Plans. These are used as a part of the determination of the overall budget position. Cost pressures and new developments are initially dealt with within the service area, with Service Managers following guidance set out in the Corporate Strategy and discussions with Cabinet Members to prioritise competing demands.

Growth pressures are considered as part of the annual budget setting process. For 2024/25 a corporate savings target of £0.1m was identified which was delivered from general savings throughout the year. The Council have not funded additional spend for proposed growth items due to the savings target predicted for 2024/25. The year end outturn showed a £0.433 net underspend.

VFM arrangements – Financial Sustainability

Overall commentary on the Financial Sustainability reporting criteria – continued

Arrangements and approach to 2024/25 financial planning

The arrangements for the 2025/26 budget setting process have largely followed the arrangements in place for 2024/25. The budget has always been approved in the February preceding the start of the financial year. It is presented to Cabinet and then Full Council. The medium term financial strategy for the forthcoming three year period has also been presented alongside it so that Members are able to see how the financial position might look for up to three years.

A balanced budget for 2025/26 was approved at the February 2025 Council meeting alongside the updated MTFS. The budget included required savings of £0.164m expected to be covered by actions in hand, with no draw down from reserves anticipated. The 2024/25 budget highlighted a number of risks to achieving a balanced outturn, including assumptions regarding local government re-organisation and subsequent funding from central government.

Whilst a balanced revenue budget for 2025/26 was approved, savings requirements in future years of £0.596m in 2026/27 and £0.516 in 2027/28 are highlighted in the MTFS. The Capital Programme detailed that in 2025/26 there would be new additions of £2.4m. The additions will bring the programme for 2025/26 to £26m, including forecast slippage of the unspent programme from 2024/25 of £23.6m. The capital programme excluded the proposed Huncoat Garden Village scheme which will be wholly funded from the Home England Brownfield Infrastructure and Land Fund grant of £29.89m.

The projects being delivered include a number of schemes to improve the district, the largest of which relates to Accrington Town Centre Levelling Up Project and the leisure estate investment. The significant increase in the capital programme is due to the award of Levelling Up funding. The Authority has secured external sources of funding for the capital programme and have robust financial management around limiting debt and borrowing costs.

Cabinet reviewed the budget position regularly during the latter half of 2024/25 as part of its Q2 budget monitoring process. Cabinet also received in-year updates on the Council's capital programme and received a final outturn in June 2025. A review of the Capital outturn finds that actual expenditure to 31st March 2025 of £15.951m against the rephased budget for 2024/2025 of £16.036m equates to 99.47% spend. There has been monitoring of the programme to ensure that projects are kept in line with spend forecasts.

We have reviewed the MTFS and supporting reports to Council in February 2025 and are satisfied that it adequately explained the financial risks and that the main financial assumptions were not unreasonable.

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to financial sustainability.

VFM arrangements

Governance

How the body ensures that it makes informed decisions and properly manages its risks



VFM arrangements – Governance

Overall commentary on the Governance reporting criteria

Risk management and monitoring arrangements

The Council has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of effectiveness, economy and efficiency. In doing this it is responsible for putting in place proper arrangements for the governance of its affairs, effective exercise of its functions and arrangements for the management of risk.

The Council has an established risk management framework and systems in place which are built into the governance structure of the organisation. The Council's Constitution details that the Council is responsible for approving the Council's risk management strategy, the Audit Committee is responsible for reviewing and monitoring those arrangements, and the Head of Paid Service is responsible for developing risk management controls.

The Council has adopted a Risk Management Strategy which sets out the Authority's approach to managing risk. To identify and manage strategic, operational and project risks the Council utilises a risk assessment approach with details recorded in a risk register. Risk registers are reviewed quarterly but can be updated at any time to reflect identified risks. We have reviewed the Strategic Risk Register and determined it is adequate for the Authority's purposes and consistent with sector norms.

The Audit Committee receives regular reports on the Council's Strategic Risks and provides oversight on the risk management arrangements in place and the adequacy of the controls and proposed actions in 2024/25. These arrangements are consistent with what we would expect at a local authority and are adequate for the Council's purposes. From our attendance at these meetings during 2024/25, we have seen Members challenge the scores and key risk management activities to gain assurance about the effectiveness of the arrangements in place.

Internal Audit

The annual Internal Audit plan is developed by the Head of Internal Audit, agreed with management at the start of 2024/25 and is reviewed by the Audit Committee prior to final approval. The plan was risk-based and designed to provide assurance over the adequacy and effectiveness of governance, risk management, and control arrangements. The planned work can be supplemented if necessary by ad hoc reviews in respect of suspected irregularities and other work commissioned by Officers and Members of the Council where relevant to respond to emerging risks and issues. We have reviewed the Internal Audit plans for 2025/26 and confirmed they are consistent with the risk based approach.

Internal Audit progress reports are presented to Audit Committee meetings including follow up reporting on recommendations from previous Internal Audit reports. From our attendance at meetings, we are satisfied this allows the Committee to effectively hold management to account. At the end of each financial year the Head of Internal Audit provides an Annual Report including an opinion on the Council's governance, risk and control framework based on the work completed during the year.

The Head of Internal Audit issued the Annual Report to the Committee in June 2025 for the year 2024/25, providing a "Substantial Assurance" opinion on the Council's control environment. We have reviewed the annual report and confirmed they are based upon the work undertaken by Internal Audit during 2024/25. Of the 15 audit reports issued during the year, 7 provided Comprehensive Assurance and 8 provided Substantial Assurance.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria – continued

Arrangements for budget setting and budgetary control

The Full Council sets the Policy and Budget Frameworks within which the Cabinet must operate and through its meetings, calls to account the Cabinet and Committees in the exercise of their powers.

The budget setting process has operated in the same way in 2024/25 as previous years. It involves regular meetings between Chief Officers and the Corporate Management Team to discuss the financial position and emerging pressures, delivery of savings plans and opportunities for future service redesign, savings or efficiencies. This feeds through to the Budget Management Board to inform the MTFP development and monitoring processes, along with scheduled reporting to Members.

The Budgetary control and monitoring arrangements in place ensured that, over the two-year period, the resources allocated through Council's approval of the budgets, were used for their intended purpose and were properly accounted for. There is evidence budgetary control operated as a continuous process in 2024/25, enabling the Council to review and adjust the budget during the financial year. The arrangements in place provided a mechanism to hold to account managers responsible for defined elements of the budget.

Comprehensive financial and performance reporting was in place throughout 2024/25, with structured reports presented to Members via key governance forums, including the Audit Committee, Governance and Standards, Cabinet, Scrutiny Committee, and Council. The reports are structured appropriately and covered:

- Revenue and Capital Budgets
- Quarterly Financial Monitoring
- Treasury Management mid year and Annual reports
- Treasury Strategy, Prudential and Treasury Indicators, Capital Policy and Minimum Revenue Provision
- Financial settlement, Council Tax and budget setting.

We have reviewed these reports for 2024/25 to confirm they contained sufficient detail to allow Members to make decisions or provide challenge and scrutiny appropriate to their role.

Decision making arrangements and control framework

The Council has an established governance structure in place which is set out within its Annual Governance Statement (AGS).

The Annual Governance Statement is a critical component of the Council's governance arrangements. It is an evidenced self-assessment by the Council on the Council's governance, assurance and internal control frameworks for the financial year. As such, those who are responsible for those arrangements must approve it. The Annual Governance Statement formally signed by the Chief Executive and the Leader of the Council. This emphasises that the document is about all corporate controls and is not just financial controls. We reviewed the Annual Governance Statements as part of our work on the financial statements with no significant issues arising.

The governance structure, as described in the AGS includes amongst other things the Constitution including Procedure Rules and Codes of Conduct which set out the rules on how the Council conducts its business. The AGS sets out the governance principles which the Council are committed to and within which the Council conducts its business and affairs. The AGS identifies the arrangements in place to enable the Council to meet the good governance principles identified.

We reviewed the AGS and observed the Audit Committee's review of the AGS and monitoring of actions throughout 2024/25 in relation to any significant governance issues.

VFM arrangements – Governance

Overall commentary on the Governance reporting criteria – continued

The Constitution is kept under review and updated as required. The Constitution sets out how the Council operates, how decisions are made and the procedures to support the Council's aims of being transparent and accountable. The Constitution includes the Scheme of Delegation, Financial Procedure Rules, Budget Policy Framework Rules, Contract Procedure Rules and Codes of Conduct for both Members and employees.

There are scrutiny arrangements in place to support the work of the Council. The Communities and Wellbeing Overview and Scrutiny Committee and Resources Overview and Scrutiny Committee have a work programme in place to steer their coverage of services and policy decisions taken. The Constitution includes the Overview and Scrutiny procedure rules, which cover the arrangements for call in of decisions. We have reviewed the Overview Committee's minutes throughout the year and not identified any concerns.

Financial Statements

The Council's previous auditor highlighted weaknesses in the Council's financial statements processes in their Value for Money conclusion as part of the 2019/20 audit. In their opinion, the auditor cited the lateness of publishing the draft accounts, difficulties in responding to audit queries and a material error in the valuation of property, plant and equipment as reasons behind the qualified conclusion.

Our audits for the financial years 2020/21 and 2021/22 continued to identify these significant deficiencies in the Council's financial reporting processes. In both years, the draft financial statements were published beyond the statutory deadline, and the audit process was hindered by substantial issues with the supporting working papers and underlying accounting records. As a result, we identified a significant weakness in the Council's arrangements for preparing and reviewing its financial statements with the recommendation for building capacity in finance team.

For 2022/23 and 2023/24 the accounts were not published by the statutory deadline, and we were not able to complete our audit in advance of the timescales set out in the Government's backstop proposals. However, the accounts have been submitted earlier each year, reflecting the positive progress that the Council made in implementing actions to improve the position. We have issued a disclaimer of opinion on the 2022/23 and 2023/24 financial statements.

During 2023/24 and 2024/25, the Council made good progress in addressing this weakness and implemented the recommendations made in previous years. Including continued implementation of the detailed action plan for reducing time scale for Statement of Accounts preparation process and recruitment of additional staff to strengthen the finance team and improve capacity. Our VFM assessment confirms that finance officers are assigned to service areas and work closely with budget holders, improving engagement and resilience.

As a result of these measures, the Council successfully published the 2024/25 Statement of Accounts in June 2025, meeting the statutory deadline. We anticipate issuing a disclaimer of opinion on the Council's 2024/25 financial statements. No detailed audit work has been undertaken on the accounts or supporting working papers. We have as part of our Value for Money assessment, obtained a limited selection of sample working papers to evaluate improvements in their quality. While these samples provided evidence of improvement, our review of working papers was necessarily restricted given the planned disclaimer of opinion. We have performed a high-level review of the draft financial statements for 24/25 and we have not noted a material disclosure omitted in published financial statements for 24/25, indicating improvement in financial statements preparation process.

We therefore conclude that the previously reported significant weakness in financial reporting has been addressed. The accounts production process is now operating effectively and in compliance with national requirements

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to governance.

VFM arrangements

Improving Economy, Efficiency and Effectiveness

How the body uses information about its costs and performance to improve the way it manages and delivers its services



VFM arrangements – Improving Economy, Efficiency and Effectiveness

Overall commentary on the Improving Economy, Efficiency and Effectiveness reporting criteria

Performance Management

The Council's objectives are set out in its Corporate Strategy. The Corporate Strategy 2025-2030 outlines the Council's vision for creating a 'Building a Better Hyndburn for Everyone'. The strategy is structured around four main themes:

Sustainable Growth – focussed on to support employment and business growth, revitalise town centres and deliver new homes, balancing growth with sustainability

Environment and climate change – focussed on net zero by 2030

A Thriving and cohesive community - Partnership working health and wellbeing culture, heritage and arts.

Embrace the opportunities of devolution – focused on local Partnerships, Shared Working, Workforce Planning and Organisational Readiness

Hyndburn Borough Council has established arrangements that generally secure economy, efficiency and effectiveness. Strengths include a risk based internal audit programme, improved procurement controls, regular financial monitoring, and a refreshed three tier performance framework structure:

- Tier 1 – Headline KPIs
- Tier 2 – Hyndburn-wide indicators
- Tier 3 – Corporate Strategy outcomes

This framework enables the Council to evaluate service delivery against strategic objectives and community outcomes.

The Council's Medium Term Financial Strategy builds on the Corporate Strategy to ensure funding is targeted towards its priorities. The Council's budget endeavours to ensure the provision of the appropriate resources required to deliver the Corporate Strategy, and the types of action necessary to enable them to be affordable, to allow balanced budgets to be delivered.

In 2024/25, the Council participated in a Local Government Association (LGA) Corporate Peer Challenge. The findings were reported to Members and informed the development of improvement

actions. In September 2025 the LGA has completed a follow-up progress review, setting out how the Council has begun to address the original recommendations. The Council has reported all recommendations as being complete or on track.

The Council reported its annual performance against its KPIs to the Resources Overview and Scrutiny Committee in 2025. We have reviewed the annual reports which shows it is sufficiently detailed to enable scrutiny and challenge of the Council's performance.

Partnerships

The Council is open to considering all options to deliver services. This means it commissions from other organisations where it is appropriate to do so and where it can achieve the same or better outcomes at reduced cost. This includes working closely with the voluntary and private sector where appropriate.

The Corporate strategy includes partnership working as a priority. Examples of partnership working is Hyndburn Leisure Trust (HLT) that operates six leisure facilities on behalf of the Council, supporting health and wellbeing objectives. Two Hyndburn Councillors are appointed to the HLT Board of Trustees, providing strategic oversight and alignment with Council priorities. HLT played a key role in the design and development of the Wilson Sports Village, contributing sector expertise.

Procurement

Financial regulations and procedures apply to all Members and employees in the work they do for the Council. The Council has arrangements for financial instructions and purchase order controls. A Contracts Register is maintained centrally, and procurement staff attend Procurement/Project Boards.

The Council's Contract Procedure Rules sets out procurement routes for new contracts, tailored to the values involved. The Council makes use of standard terms and conditions in its contracts on routine procurements to ensure suppliers meet the standards expected by the Council.

Based on the above considerations we are satisfied there is not a significant weakness in the Council's arrangements in relation to improving economy, efficiency and effectiveness.

04

Other reporting responsibilities

Other reporting responsibilities

Wider reporting responsibilities

Matters we report by exception

The 2014 Act provides auditors with specific powers where matters come to our attention that, in their judgement, require specific reporting action to be taken. Auditors have the power to:

- issue a report in the public interest;
- make statutory recommendations that must be considered and responded to publicly;
- apply to the court for a declaration that an item of account is contrary to the law; and
- issue an advisory notice.

We have not exercised any of these statutory reporting powers.

The 2014 Act also gives rights to local electors and other parties, such as the right to ask questions of the auditor and the right to make an objection to an item of account. We did not receive any such objections or questions.

Reporting to the group auditor

Whole of Government Accounts ('WGA')

The NAO, as group auditor, require us to complete the WGA Assurance Statement in respect of the Council. On completion of the audit, we expect to issue our assurance statement to the NAO in line with their instructions. Given the Council meets the criteria for the minor body exemption, we do not expect to carry out any further work.

We are yet to receive the full group audit instructions from the NAO. We are unable to conclude our work on the WGA as we have yet to receive these instructions. We have neither received confirmation from the NAO that no further work is required to be completed by us. Until we receive this, we are unable to conclude our work to discharge our responsibilities to the NAO in respect of WGA.

Contact

Forvis Mazars

Daniel Watson

Partner

Daniel.Watson@mazars.co.uk

Osama Rathore

Manager

Osama.Rathore@mazars.co.uk

Forvis Mazars LLP is the UK firm of Forvis Mazars Global, a leading global professional services network. Forvis Mazars LLP is a limited liability partnership registered in England and Wales with registered number OC308299 and with its registered office at 30 Old Bailey, London, EC4M 7AU. Registered to carry on audit work in the UK by the Institute of Chartered Accountants in England and Wales. Details about our audit registration can be viewed at www.auditregister.org.uk under reference number C001139861. VAT number: GB 839 8356 73

© Forvis Mazars 2025. All rights reserved.

