

AUDIT COMMITTEE

Monday, 8th December, 2025

Present: Councillor Bernard Dawson MBE (in the Chair), Councillors
Danny Cassidy, Noordad Aziz (Vice Chair) and Mike Booth

Apologies Councillor Peter Edwards

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

Apologies for Absence were given by Councillor Peter Edwards.

245 Minutes of the Last Meeting

The Minutes of the last Audit Committee held on the 22nd of September 2025 were submitted for approval as a correct record.

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

246 Risk Management Monitoring Report

Mrs Susan Gardner, Policy and Scrutiny Officer, presented the report to the committee.

Mrs Gardner informed the committee of the outcome of the Strategic, Generic and Operational risk register review and highlighted the changes that had been made to the risk register as per pages 9 to 14 of the agenda.

There are a total of 107 risks:

- 17 Generic Risks – 0 high, 5 medium and 12 low
- 70 Operational Risks – 0 high, 23 medium and 47 low
- 23 Strategic Risks – 4 high, 9 medium and 10 low

2 Major changes had been made to the Strategic risk register.

- Risk 2052 had been added to the Strategic register as a Medium risk.
- Risk 1027 had been amended from Medium to High.

2 Major changes had been made to the Operational risk register and 1 Minor change.

- Risk 2051 had been added to the Operational risk register as a Low risk.
- Risk 2053 had been added to the Operational risk register as a Medium risk.
- Risk 2032's date had been amended.

1 Major change had been made to the Generic risk register.

- Risk 2016 had been reduced from a High risk to a Medium risk.

In total there were 4 risks rated as High and all were Strategic risks as follows:

- Strategic Risk 1027 – 'Substantial reduction in grant from Government' Page 8 of 12
- Strategic Risk 2001 – 'Failing to recruit and retain suitably qualified staff'
- Strategic Risk 2035 – 'Failure to deliver on Council's Climate Declaration pledge and achieve Council operations Carbon Zero by 2030'
- Strategic Risk 2045 – 'Uncertainty around funding for weekly food waste collection'.

Members Discussed the presented risks and asked for more detail on some of the changes in the report.

Risk 2045 was highlighted by members and clarification was asked of Mr Martin Dyson, Executive Director (Resources), as to the grant due to be received by the MHCLG. Mr Dyson advised that there is uncertainty about the amount due to be received as this is included in the ongoing Fair Funding Review.

Risk 1027 was also raised by members of the committee with Mr Dyson advising that the council should know more in the next few weeks about the funding due to be received.

Resolved – The Audit Committee noted the content of the report and the changes to the risk register. The committee also noted the Risk Management Policy and Framework.

247 Audit Plan Progress Update

Ms Angela Kelly, Senior Auditor, presented the Progress report to the committee. Informing the committee that the update was regarding reports issued between the period of September 2025 and November 2025.

The target in place is to complete 98% of the Audit Plan by the end of the financial year. The current projected out turn position for 2025/2026 is 96.33%.

The following Audits were carried out for the September to November 2025 period:

Procurement Arrangements – Comprehensive Assurance
No issues reported.

Risk Management Policy & Framework–Substantial Assurance
2 Recommendations were made as detailed on page 34 of the agenda.

Creditors – Comprehensive Assurance
No issues reported.

Household Support Fund 7 – Comprehensive Assurance
No issues reported.

Resolved – The committee noted the information.

248 Follow Ups Update

Ms Angela Kelly, Senior Auditor, presented an update to the committee of the previously agreed action plans for completed audit reports for the period of September 2025 and November 2025.

The 3 areas reviewed were:

Homelessness – 3 actions.

Ms Kelly advised the committee that 2 of the actions had been implemented but the final action marked as implemented for the renewal of Locatapro was still outstanding due to officer absence resulting in no update by the meting deadline.

Environmental Protection – 2 actions.

The addendum report is underway and due to be completed by March 2026 and so is partially completed, however a meeting of all Local Authorities has not taken place this year and so this action is still outstanding.

Rent Reviews – 2 actions.

A short-term action has been partially implemented by manually creating quarterly reports. With a new software system being investigated by the Finance Team, implementing the recommended action.

Page 40 of the agenda highlighted the areas which were reviewed and their corresponding actions.

Resolved – The committee noted the report for information.

249 Economic Crime & Corporate Transparency Act 2023

Ms Angela Kelly, Senior Auditor, presented to the committee the Economic Crime & Corporate Transparency Act 2023 document which became applicable on the 1st of September 2025.

Ms Kelly explained that Section 199 of the Economic Crime and Corporate Transparency Act 2023 creates a new offence that will hold Hyndburn Borough Council to account for fraud committed by their employees, agents, subsidiaries, or other associated persons who provide services for or on behalf of the Council. Where the fraud was committed with the intention of benefiting the Council or its clients.

Under the Act, Hyndburn Borough Council may be criminally liable if it did not have reasonable fraud prevention procedures in place

Ms Kelly advised that the overall risk to Hyndburn Borough Council of a fraud which falls within the remit of this legislation is believed to be relatively low, as the fraud must have the basis to directly benefit the Council or its clients and not just the perpetrator of the fraud which is the most common result of most frauds.

However, the Council must have a policy in place which sets out the Council's position to the Legislation and how it deals with it.

Ms Kelly informed the committee that refresher training will be provided on Fraud, Corruption and Bribery including the new Economic Crime and Corporate Transparency Act 2023 for staff in due course.

Resolved - The committee noted the report.

250 Draft Auditors Annual Report - External Audit Update

Mr Daniel Watson, Partner at Forvis Mazars, advised the committee that they anticipate issuing a disclaimed audit opinion on the 2024/25 financial statements due to there being 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.

Value for Money arrangements work is ongoing with 3 key areas to report on: Financial Sustainability, Governance and Improving Economy, efficiency and effectiveness. This is detailed on pages 72 to 82 of the agenda.

No significant weaknesses have been reported for any of the above criteria.

Mr Watson advised that the final report will be brought to the 16th of February 2026 Committee.

Members of the committee were pleased to see that no significant weaknesses had been identified as in previous years and were happy to see the progress made by the finance team. Mr Martin Dyson, Executive Director (Resources), echoed this message and thanked Mr Watson and his staff for their work.

The committee also questioned Mr Watson on the impact Local Government Reorganisation is likely to have on the council's accounts. Specifically what impact any changes in funding may have on the council's statements. Mr Watson advised that as long as the council has a plan in place to cover any resulting gaps in funding and complies with the guidance issued that this should not impact the opinion made by the external auditors. However, Mr Watson caveated this with the advise that this was a purely theoretical scenario and in practice the impact would depend on the details.

Resolved – The committee noted the report.

N.B. – A briefing note was circulated to members of the committee in advance of the meeting breaking down the external auditors report to provide members with a better understanding the work being completed.

Signed:.....

Date:

Chair of the meeting
At which the minutes were confirmed