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AUDIT COMMITTEE

Monday, 16th February, 2026

Present: Councillor Bernard Dawson MBE (in the Chair), Councillors Peter Edwards and Danny Cassidy

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

No Apologies for Absence or Declarations of Interest were given.

294 Minutes of the Last Meeting

The Minutes of the last Audit Committee held on the 8th of December 2025 were submitted for approval as a correct record.

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

295 Internal Audit Plan Progress Update

Mr Mark Beard, Head of Audit and Investigations, presented the report to the committee. Informing that the update was regarding reports issued between the period of December 2025 and January 2026.

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 96.63%. Mr Beard informed that the position as of the end of January 2026 was 80.53%.

The following Audits were carried out for the December 2025 to January 2026 period:

Leasing Arrangements – Substantial Assurance

1 Recommendation was made as per page 10 of the agenda.

Facilities Team – Substantial Assurance

1 Recommendation was made as detailed on page 10 of the agenda.

Mr Beard informed the committee that since the agenda's publication this recommendation has been implemented.

Accrington and Great Harwood Town Centre Greening – Substantial Assurance

2 Recommendations were made as detailed on pages 10 and 11 of the agenda.

Mr Beard advised the committee that the UKSPF grant funding agreement has been signed.

ICT Security Policy – Comprehensive Assurance

No issues reported.

Resolved – The committee noted the information.

296 Follow Ups Update

Mr Mark Beard, Head of Audit and Investigations, presented an update to the committee of the previously agreed action plans for completed audit reports for the period of December 2025 to January 2026.

The areas reviewed were:

Network Controls – 2 actions.
1 Action Partially Implemented.
1 Action Implemented.

ICT Assets – 1 action.
1 Action Partially Implemented.

GDPR & Document Retention Policy – 1 action.
1 Action Implemented.

Risk Management & Policy Framework – 2 actions.
1 Action Partially Implemented.
1 Action Implemented.

Payroll – 9 actions.
5 Actions Partially Implemented.
4 Actions Implemented.

Pages 16 to 18 of the agenda highlighted the areas which were reviewed and their corresponding actions.

Resolved – The committee noted the report for information.

297 Internal Audit Plan 2026/27

Mr Mark Beard, Head of Audit & Investigations, informed the committee of the Internal Audit Plan for the financial year 2026/27. The Internal Audit Plan forms the work plan of the Internal Audit Team for the financial year. It is risk based and set annually.

The 2026/27 Internal Audit Plan has had some alterations which reflect changes occurring within the Council as well as changes designed to streamline the Audit Plan.

Page 20 of the agenda highlights the amendments and areas added to the 2026/2027 plan. In total 2 areas have been added to Ad-hoc and form part of the work planned for 2026/27. There are 5 areas that have remained in Ad-Hoc & Investigations section of the 2026/27 Internal Audit Plan. Of the 5 areas, two are carried forward from the 2025/26 Audit Plan.

The Audit Plan risk assessment highlighted 13 audit areas as high risk, a decrease of 8 on 2025/26. The 2026/27 Audit Plan includes all 13 of these high risk areas.

There are 98 medium risk areas, an increase of 9 on 2025/26 and 17 are included in the Audit Plan. The remaining 81 medium risk areas will remain on a reserve list and will be included if other time allocations such as contingency days are not utilised.

There are 36 low risk areas, a decrease of 1 on 2025/26. None of the low risk areas are likely to be covered in 2026/27 Audit Plan unless the level of risk significantly increases or a specific issue is identified during the financial year.

Resolved – The Audit Committee voted to approve the Internal Audit Plan for the 2026/2027 financial year.

298 External Audit Update

Mr Daniel Watson, Partner at Forvis Mazars, advised the committee of the Audit Strategy and Completion Report for the year end 31st of March 2025.

Due to the backlog in financial reporting in recent years legislation was passed in 2024 to address the backlog by introducing 'backstop dates' for the publication of financial statements, even if the audits had not been completed. This was intended to enable the sector to focus on the current financial position rather than historic information. As a result of these measures, the Council successfully published the 2024/25 statement of Accounts in June 2025, meeting the statutory deadline.

Disclaimed Opinions were issued for 2021/2022, 2022/2023 and 2023/2024 financial years. Due to this the external auditors do not have assurance over the opening balances in the 2024/2025 financial statements.

Mr Watson advised that they will be issuing a disclaimed opinion to allow the Council to publish its financial statements by the backstop date of 27 February 2026 as required by the relevant legislation.

Mr Watson explained the Value for Money Arrangements, highlighting the removal of a significant weakness which has been carried over from 2020/2021's financial accounts. Mr Watson informed that the council have implemented the recommendations made in previous years and no material disclosures were omitted in the accounts for 2024/2025. The accounts production process is now operating effectively and in compliance with national requirements.

Mr Watson concluded that the previously reported significant weakness in financial reporting has been addressed.

Resolved – The Committee noted the report.

299 Statement of Accounts 2024/2025

The following matter was submitted as urgent business with the Chair's agreement in accordance with Section 100B(4) of the Local Government Act 1972, the reason being to enable the authority to comply with the provisions of Regulation 9A(3) of The Accounts and Audit Regulations 2015 (as amended) to provide for its accountability statements for the financial year beginning 2024 to be published on or before 27th February 2026.

The Committee was invited to consider approving the Council's Statement of Accounts for 2024/25, so that they could be published by the statutory backstop deadline of 27th February 2026 and to provide delegated authority to the Executive Director (Resources) to provide the necessary Letter of Representation for 2024/25 to the External Auditors (Forvis Mazars) before they issued their audit report.

The Executive Director (Resources) referred Members to the draft Statement of Accounts for 2024/25, which had been approved by the Committee on 22 September 2025, a copy of which was available at Appendix A to Item 5 of the Agenda for that meeting using the following link:

<https://democracy.hyndburnbc.gov.uk/documents/g3036/Public%20reports%20pack%2022nd-Sep-2025%2016.00%20Audit%20Committee.pdf?T=10>

The unaudited accounts had previously been made available for public inspection on 30th June 2025, meeting the statutory deadline. The inspection period had then run for 30 days, concluding on 6th August 2025, with no public representations received.

In accordance with Regulation 9(3) of The Accounts and Audit Regulations 2015 the Executive Director (Resources) re-confirmed on behalf of the authority that he was satisfied that the Statement of Accounts presented a true and fair view of:

- (a) the financial position of the authority at the end of the financial year 2024/25; and
- (b) the authority's income and expenditure for that financial year,

Resolved – The Audit Committee voted by unanimous decision:

- 1) That the Statement of Accounts for 2024/25 be agreed and that the Chair of the Committee (being the person who presided at this meeting) be authorised to sign and date the Statement of Accounts.**
- 2) That authority to approve and submit the Letter of Representation for 2024/25 to the External Auditors be delegated to the Executive Director (Resources), in consultation with the Chair of the Committee.**

Signed:.....

Date:

Chair of the meeting
At which the minutes were confirmed