

**MINUTES OF A MEETING OF THE  
ACCOUNTS AND AUDIT COMMITTEE  
HELD AT NELSON TOWN HALL  
ON 25<sup>TH</sup> MARCH 2025**

*PRESENT*

*Councillor D. Cockburn-Price  
Councillor M. Stone  
Councillor D. Whipp  
Mr D. Rothwell  
Mr D. Whatley*

**Also in Attendance**

<i>L. Warner</i>	<i>Mersey Internal Audit Agency, MIAA</i>
<i>D. Patel</i>	<i>Grant Thornton</i>
<i>K. Spencer</i>	<i>Director of Resources Pendle Borough Council (PBC)</i>
<i>G-L. Wells</i>	<i>Head of Finance PBC</i>
<i>J. Eccles</i>	<i>Committee Administrator PBC</i>

*(Apologies were received from Councillors R. Anwar and M. Ammer.)*



**39. APPOINTMENT OF CHAIR**

As the Chair and Vice-Chair had sent their apologies nominations were invited for the appointment of Chair, for this meeting only.

**RESOLVED**

That Councillor D. Whipp be appointed Chair for this meeting.

*Councillor D. Whipp (in the Chair)*

**40. DECLARATION OF INTERESTS**

Members were reminded of the legal requirements concerning the declaration of interests.

D. Rothwell and Councillor D. Whipp declared a personal but non-pecuniary interest in Items 42 and 43 as a Board Member of Nelson Town Deal.

**41. MINUTES**

**RESOLVED**

That the minutes of 28<sup>th</sup> January 2025 be agreed as a correct record and signed by the Chair.

**42. INTERNAL AUDIT PROGRESS REPORT**

L. Warner highlighted the key areas of progress made against the Internal Audit Plan for the period 21<sup>st</sup> January to 14<sup>th</sup> March 2025.

## Accounts and Audit Committee (25.03.2025)

Since the last meeting the Internal Auditors had finalised reviews on Homelessness (substantial assurance) and Finance Deep Dive (moderate assurance). The audit recommendations for these reviews were included in the summary of follow-up activity on previous audit recommendations which were set out at Appendix D.

The following reviews were in progress and fieldwork was progressing on Customer Care, IT Critical Application (IDOX system), Council Tax and NNDR, Finance Deep Dives, Emergency Planning and Disabled Facilities Grant (the latter two having been added to the Plan at the last meeting). Fieldwork was concluding and a report being drafted for the Risk Management review.

Of the 66 recommendations set out in Appendix D, 25 of these were not due for follow up. Of the remaining 41 actions, 24 had been fully actioned and 17 were in progress. These included 6 high priority recommendations, 3 in relation to the Information Governance audit which were in progress with a revised date of 31<sup>st</sup> May 2025. Two relating to the Staff Performance/Appraisals review and one relating to the IT Cyber Resilience review were due on 31<sup>st</sup> March 2025. The Director of Resources said that the Cyber Resilience review was complete. Processes were in place to start the new system of staff appraisals in the next few weeks.

Members questioned the Head of Finance about the recent review of Finance Deep Dive – Fixed Assets and Ledger Progress, the process for valuing assets and the observation that there was no oversight on the inputs of super users to the finance systems. It was noted that there were only two super users – the Head of Finance and Systems Accountant; the Director of Resources had overall responsibility for this service area; and that the External Auditors were aware of the situation. Members were assured that whilst there was an accepted risk in order to deliver the service, it was a small finance team and there were lots of checks and balances, so it was felt that no further action was needed.

There was one proposed change to the audit plan requesting that the planned review of the Council's response to the External Audit Governance Review was cancelled, as the Council's External Auditors had followed up on these recommendations, and the days carried over to the 2025/26 audit plan. The days allocated for this review would be utilised in 2025/26 for an audit of the Nelson Town Deal.

### **RESOLVED**

- (1) That the Internal Audit progress report be noted.
- (2) That the 2024/25 Internal Audit plan be amended to cancel the Council's response to the External Audit Governance Review and the days carried over to the 2025/26 Internal Audit plan and used for an audit of the Nelson Town Deal.

### **REASON**

***To demonstrate that the Committee fully understands and is monitoring the work of Internal Audit.***

### **43. INTERNAL AUDIT PLAN 2025/26**

L. Warner presented the draft Internal Audit plan for 2025/26 which included core assurances, national and regional risk areas, and strategic risks from the Council's assurance framework. The draft plan was based on an initial risk assessment and provided indicative coverage for the

Council. It formed part of the Council's three-year Strategic Internal Audit Plan which was set out at Appendix A. Appendix B proposed a number of KPIs to support the work of Internal Audit. It was intended that the Plan would be reviewed through the year and if MIAA felt changes were needed, these would be brought back to this Committee for approval.

It was noted that the fees for Internal Audit in 2025/26 were £82,500 and £7,500 for Anti-Fraud. There was a discussion about the level of coverage provided by MIAA. The Director of Resources said that the number of days provided in the Contract was the same as 2024/25 and she was satisfied that there was enough coverage. She had done some recent work on benchmarking and assured Members that Pendle Council compared well to other Councils in terms of the number of days provided for the fee.

Members felt that work planned on carbon reduction was a bit premature and would be better looked at the following year.

Clarification was sought on whether the audit of the Nelson Town Deal might duplicate the audit work carried out by central Government in early 2024. The Director of Resources said that the purpose of the Government's deep dive review was to review the governance, decision making, and delivery associated with the Town Deal funding. The review proposed a number of recommendations to demonstrate appropriate oversight of the programme/funding and satisfy the DLUHC requirements. She said it was important for Internal Audit to review the work undertaken and to monitor progress.

## **RESOLVED**

- (1) That the draft Internal Audit Plan for 2025/26 be approved.
- (2) That L. Warner and the Director of Resources discuss an alternative review to the work planned on carbon reduction and to report back to the next meeting.

## **REASON**

***To agree the most appropriate internal audit plan for 2025/26.***

**44.**

## **INTERNAL AUDIT CHARTER**

L. Warner presented the Internal Audit Charter which was mandated through Global Internal Audit Standards and was a formal document that defined the internal audit activity's purpose, authority, and responsibility. The Charter established the internal audit activity's position within the organisation; authorised access to records, personnel, and physical properties relevant to the performance of engagements; and defined the scope of internal audit activities. There had been no major changes to the Charter since last year. It was pointed out that the Accounts and Audit Committee was a committee not a sub-committee of the Full Council.

## **RESOLVED**

That the Internal Audit Charter be noted.

## **REASON**

***To note this formal document defining the Internal Audit role, structured around the Global Internal Audit Standards in the UK public sector.***

### **45. INTERNAL AUDIT FRAUD PLAN**

L. Warner presented MIAA's draft Anti-Fraud Plan for 2025/26. It provided for an initial assessment of the Council's existing compliance with key public sector counter fraud standards and requirements, including its readiness for the new Failure to Prevent Fraud legislation. It was intended that L. Warner, in discussion with the Director of Resources, would put more detail in the Plan and report progress and any revisions mid-year.

Members felt that there was merit in the auditors proactively testing certain risk areas rather than preparing an overall plan for risks that might not happen. D. Whatley had had experience of anti-fraud work in the NHS and offered to liaise with L. Warner on their approach and the testing carried out.

## **RESOLVED**

That the draft Anti-Fraud Plan for 2025/26 be approved, subject to some of the time being allocated for proactive testing in areas, to be agreed in discussion with the Director of Resources.

## **REASON**

***To reduce the risk of fraud in the Council.***

### **46. EXTERNAL AUDIT PROGRESS REPORT 2024/25**

D. Patel presented the External Auditor's report on progress in delivering their responsibilities. It also included several sector updates for consideration.

The audit of the Financial Statements for 2023/24 was backstopped and a disclaimer of the audit opinion was issued on 27<sup>th</sup> February 2025. Grant Thornton was working with the Head of Finance on the audit plan for 2024/25. The value for money audit reviews were expected to be complete by 31<sup>st</sup> December 2025.

PSAA had published their scale fees for 2024/25. For the Council these would be £142,185. The fees reflected the increased work of the auditors as well as the scarcity of audit firms willing to do the work. The proposed fee for 2023/24 was £75,845, including £10,260 additional work that was required on significant weaknesses identified in their value for money work, compared to the original fee of £135,630. The reduced amount was due to not being able to complete the 2023/24 audit.

The sector updates included the second in a series of Value for Money webinars for members of Audit Committees on 4<sup>th</sup> June and would be available on the Grant Thornton website shortly. This would include how to prepare for devolution and reorganisation with shared experience from other reorganisations - something Members felt would benefit all Members of the Council.

The sector update also gave some details of the CIPFA Financial Resilience Index 2024 which was published in January 2025. The index gave Councils the opportunity to compare themselves with others and see where their weak spots were.

## **RESOLVED**

- (1) That the External Auditor's progress report be noted.
- (2) That the Grant Thornton webinar link for Value for Money be shared with all Councillors.
- (3) That the Director of Resources look at the CIPFA Financial Resilience Index 2024 and report back on how Pendle Council compared to other Councils.

## **REASON**

- 1. To demonstrate that the Committee is monitoring the work of External Audit.**
- 2. To share best practice on Value for Money.**
- 3. To provide a relative assessment of Pendle Council's financial resilience.**

## **47. EXEMPTION TO CONTRACT PROCEDURE RULES**

The Director of Resources submitted a report on exemptions from Contract Procedure Rules. Exemptions for the tenders for the refurbishment of canopies in Brierfield Town Centre and new canopy in Brierfield Town Centre had been agreed due to them receiving only one quote. At its meeting on 20<sup>th</sup> March the Executive agreed a further exemption to award the contract for the provision for disposal and recovery of commercial waste to the current contractor direct following a benchmarking exercise.

## **RESOLVED**

That the exceptions to the Contract Procedure Rules be noted.

## **48. CLOSURE OF ACCOUNTS 2024/25 – GOING CONCERN STATUS & ACCOUNTING POLICIES**

The Director of Resources submitted a report to update the Committee on the Accounting Code of Practice for 2024/25, requesting approval of the proposed Accounting Policies as the basis on which the accounts would be prepared for the financial year ending 31<sup>st</sup> March 2025 and to inform the Committee of the assessment of the Council as a 'going concern' for the purposes of producing the Statement of Accounts for 2024/25. It was noted that the public inspection for the 2024/25 accounts was 30 working days and this period must include the first 10 working days of July (not June as stated in the report).

## **RESOLVED**

- (1) That the proposed accounting policies for the 2024/25 accounts as set out at Appendix A of the report be approved.
- (2) That the outcome of the assessment made of the Council's status as a 'going concern' for the purposes of preparing the Statement of Accounts for 2024/25 be accepted.

**REASON**

***To comply with the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Code of Practice on Local Authority Accounting.***