

**MINUTES OF A MEETING OF THE
ACCOUNTS AND AUDIT COMMITTEE
HELD AT NELSON TOWN HALL
ON 30TH SEPTEMBER 2025**

PRESENT
Councillor R. Anwar (Chair)

Councillor D. Cockburn-Price

Also in Attendance

<i>L. Cobain</i>	<i>Mersey Internal Audit Agency, MIAA</i>
<i>G. Jones</i>	<i>Grant Thornton UK LLP</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 M. Ammer and M. Stone.)

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14. DECLARATIONS OF INTEREST

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

Members' attention was also drawn to the requirements of the Council's Code of Conduct relating to the disclosure of Other Registrable Interests and Non-Registrable Interests.

15. MINUTES

RESOLVED

That the minutes of 29th July 2025 be agreed as a correct record and signed by the Chair.

16. INTERNAL AUDIT PROGRESS REPORT

L. Cobain highlighted the key areas of progress made against the Internal Audit Plan for the period 22nd July to 19th September 2025.

Since the last meeting the Internal Auditors had finalised 2 reviews: Disabled Facilities Grant (moderate assurance) and Customer Services (substantial assurance). The key areas from their work and actions to be delivered for these reviews were set out at Appendix C of the report. She highlighted some of the main points and answered related questions.

The following reviews were in progress – Payroll (draft report being finalised); IT Critical application – IDOX system (draft report stage); VAT audit (fieldwork); Health & Safety (fieldwork); Governance (fieldwork) and Contract Management (planning). There were no proposed changes to the Audit Plan.

The Internal Auditors had also followed up on previous IA recommendations. These were set out at Appendix D. Of the 68 recommendations, 10 were not due for follow up. Of the remaining 58 actions, 36 had been fully actioned and 22 were in progress.

The report included links to their latest briefings on AI Governance Checklist and Local Authority Audit Committee Members' Roles and Responsibilities.

Concern was raised that the high priority recommendations in relation to the Information Governance audit detailed in Appendix D had not been actioned and the implementation dates were being repeatedly revised. This raised a question about accountability. The Director of Resources assured Members that considerable progress had been made over the last month to ensure they were actioned by the revised date of 31st December 2025. L. Cobain said that in future they could add commentary or an update in the report to explain the reason for a delay and extending the implementation date.

RESOLVED

That the Internal Audit progress report be noted.

REASON

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

17. EXTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATES

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

She said they were working closely with the Finance Team on the audit of the Council's Financial Statements for 2024/25 which were published on 30th June 2025. Government's intention was to enact a backstop and for the Financial Statements to be audited by 27th February 2026. As the Council had received a disclaimed opinion on their Financial Statements for 2023/24 the Auditors were working with the Council on how to build back assurance on in year transactions and closing balances for the 2024/25 Financial Statements.

The value for money audit work had started and reviews were expected to be complete by 31st December 2025.

The Head of Finance was pleased to report that the Finance Team would be fully resourced in November. A Corporate Lead Accountant had been appointed to take on the revenue work which she had been having to cover.

There followed a discussion on issues around Local Government Reorganisation (LGR). G. Jones said LGR was not likely to start impacting on the audit process until the 2026/27 Financial Statements, although they would be monitoring the decision-making around reserves and having discussions with S151 officers. Grant Thornton had been awarded the 5-year contract to audit the Council's accounts in 2023/24 and this had just been extended by 2 years. Even when the new authority was established in 2028, it was likely that there would be different financial systems running alongside each other until they could be consolidated, and these would need to be audited.

The Director of Resources said that her time was largely taken up now with LGR work and she expected that by next Summer much of the Council's Legal and Finance Teams' work would be focussed on LGR. There would be a cost implication working with consultants and using agency workers to maintain services. At present, there was no additional Government funding available for the restructure.

RESOLVED

That the External Auditor's progress report be noted.

REASON

To demonstrate that the Committee is monitoring the work of External Audit.

18. RISK MANAGEMENT UPDATE – QUARTER 1, 2025/26 & CORPORATE GOVERNANCE UPDATE

The Director of Resources submitted a report with an update on –

- the developments relating to the Council's risk management arrangements, including the updated Strategic Risk Register (SRR) based on Q1 2025/26 updates (Appendix 1);
- the Council's Corporate Governance arrangements; and
- the delivery of the Action Plan 2025/26 contained within the draft Annual Governance Statement (AGS) which formed part of the Statement of Accounts for 2024/25 (Appendix 3).

The Director of Resources highlighted that the key point to note from the SRR in Q1 was that the score of 2 Strategic Risks (SRR-07 Political Leadership and SRR-11 Public Health & Wellbeing) had changed. The changes were detailed in Appendix 1. Since the Q1 review a new Strategic Risk had been added to the SRR relating to LGR affecting Pendle Council and all Lancashire local authorities. The details of this risk was provided at Appendix 2 of the report and would be included in the Q2 review process.

There was a discussion about SRR-02b – the Council's Internal Capacity to Deliver (Local Waste Transfer Station Closures). Members were informed that discussions were ongoing with LCC to seek support for local facilities to be retained in Pendle for the disposal of waste including food waste from April 2026. It was noted that the weekly food collections would go ahead despite LGR. As yet no provision had been made in the budget for this. DEFRA was expected to inform local authorities in December about their allocation of New Burdens Funding to cover the increased costs of delivering this new responsibility.

With regard to the AGS Action Plan 2025/26 Q1, Members noted that the Council had received the draft report from Anthony Collins on Governance – Planning Process. At the Council meeting on 25th September Members had agreed changes to the Council's Constitution including mandatory training for Councillors on planning. Although it was noted that the Government's Planning Review included plans to introduce regulations setting out which planning decisions should be delegated to planning officers (to make in accordance with the local plan), rather than them being determined by local planning committees. This would reduce the number of planning applications being considered by the Council's area committees going forward.

RESOLVED

- (1) That the current developments and position linked to the Council's risk management arrangements and the Strategic Risk Register be noted.
- (2) That the position on the Local Code of Corporate Governance and the Corporate Governance Framework be noted.
- (3) That the progress in the delivery of the AGS Action Plan 2025/26 be noted.

REASON

To ensure the Committee is made aware of current developments impacting on the Council's wider corporate governance framework.

19. EXCLUSION OF THE PUBLIC AND PRESS

Members agreed to exclude the public and press from the meeting during the following items of business in pursuance of the power contained in Section 100(A) (4) of the Local Government Act, 1972 as amended when it was likely, in view of the nature of the proceedings or the business to be transacted, that there would be disclosure of exempt information relating to the financial or business affairs of any particular person (including the authority holding that information).

20. EXEMPTION TO CONTRACT PROCEDURE RULES

The Director of Resources submitted a report on exemptions from Contract Procedure Rules. There had been 2 since the last meeting. The report gave details of the contract, the reason for the exemption and how the contractor was selected.

RESOLVED

That the exceptions to the Contract Procedure Rules be noted.