MINUTES OF A MEETING OF THE ACCOUNTS AND AUDIT COMMITTEE HELD AT NELSON TOWN HALL ON 29TH SEPTEMBER 2026

PRESENT
Councillor M. Atkinson (Chair)

Councillor S. Ahmed
Councillor R. Bashir
Councillor S. Land
Councillor M. Stone

Also in Attendance

C. Chonzi	*Merseyside Internal Audit Agency MIAA*
G. Winstanley	*Grant Thornton UK LLP*
K. Spencer	*Director of Resources, Pendle Borough Council (PBC)*
G-L. Wells	*Head of Finance PBC*
J. Eccles	*Committee Administrator PBC*

(Apologies were received from Independent Member, Mr D. Rothwell.)

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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 28th July 2026 be agreed as a correct record and signed by the Chair.

16. INTERNAL AUDIT PROGRESS REPORT INCLUDING ANTI-FRAUD UPDATE

C. Chonzi highlighted the key areas of progress made against the Internal Audit Plan for the period 21st July to 14th September 2026.

Since the last meeting the Internal Auditors had issued a draft report on the Procurement review and that would complete the 2025/26 audit. They had also finalised 2 reviews in the 2026/27 audit plan – Treasury Management (Substantial assurance) and Project Management (Substantial assurance). The key areas from their work and actions to be delivered were set out at Appendix D of the report. The following reviews were in progress – Appraisals, Homelessness and Performance Management & Data Quality (all at fieldwork stage); and Key Financial Systems (Terms of Reference approved, fieldwork agreed to commence in October).

The Internal Auditors had also followed up on previous Internal Audit recommendations. These were set out at Appendix E. Of the 71 recommendations, 11 were not due for follow up. Of the remaining 60 actions, 48 had been fully actioned, 3 had been superseded and 9 were in progress.

There were 5 high-priority recommendations outstanding. 4 related to IT based audits and 1 to VAT processes which was not yet due. Two were related to Information Governance which was to be re-audited in Q3/Q4.

Members again expressed concern that the outstanding high-priority recommendations had not been implemented and given revised implementation dates. The Director of Resources said that progress was being made. The training recommended for staff following the Information Governance review had been undertaken, but the opportunity to review and improve on existing training had been taken, which had delayed signing off this action. Quotes were being sought to undertake the outstanding Data Protection Impact Assessments. Members thought that it would be helpful for the Monitoring Officer, who had overall responsibility for information governance, to attend the next meeting to provide an update on progress rather than the Head of IT, who had been invited previously.

Since writing the report, there had discussions with the Director of Resources and it was now proposed that the Audit Plan for 2026/27 be amended to include a review of Environmental Health in the place of Contract Management, which had received a high assurance and completed in April/May. It was felt that the audit of Environmental Health was a higher priority. It was an important service area and had not been audited recently.

Following the ratification of the Anti-Fraud/Anti-Bribery/Anti-Money Laundering Policies MIAA would be providing some awareness raising material based on Public Sector Fraud Authority templates to assist the Council's Communications Team in rolling out the policies.

The proactive anti-fraud review of fuel card purchases had been finalised and the draft report issued in May. Management had reviewed the findings and met the anti-fraud specialist. A report would come to the next meeting. A second proactive anti-fraud review, again utilising data analytics, was planned to take place in the autumn, although the area for analysis had not been determined.

MIAA had drafted an initial fraud risk assessment profile for the Council. Once it had been agreed it would need to be completed on a self-assessment basis by Council officers with responsibility of the areas and activities covered. When signed off, additional anti-fraud measures could be targeted at priority areas.

RESOLVED

(1) That the Internal Audit progress report be noted.

(2) That the Audit Plan for 2026/27 be amended to include a review of Environmental Health in the place of Contract Management.

(3) That the Head of Legal and Democratic Services (the Monitoring Officer) be asked to attend the next meeting to provide an assurance on the outstanding high-priority recommendations on Information Governance.

REASON

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

17. EXTERNAL AUDIT

G. Winstanley presented the External Auditor's report on the 2025/26 audit work as of September 2026. They received the draft financial statements on 30th June 2026 and started their work on 1st July. A detailed work plan had been agreed and they were holding regular meetings with the Finance Team to discuss progress. They were on track to deliver their Audit Findings Report at the next meeting on 24th November.

Their Audit Findings Report would again comment on the valuations being undertaken by the Council's valuers, being dated 1st April as opposed to 31st March, although the Council's Finance Team had provided workings to support the valuations so they remained appropriate at year end. It was noted that historically, the Council's valuations had always taken place at the start of the year, although the RICS Red Book Global Standards for valuations had changed in January 2025 giving more scope for the valuations to be undertaken as at 31st March rather than 1st April.

Value for Money (VFM) work was progressing well and the auditors anticipated issuing their Annual report on the Council's VFM arrangements to management in October and presenting it to the Committee in November.

The fees for the 2025/26 audit were £146,166.

RESOLVED

That the External Auditor's report for 2025/26 be noted.

REASON

To demonstrate that the Committee is monitoring the work of External Audit and the response from Management.

18. CCLA SIGNATORIES

The Head of Finance sought approval for changes to the authorised officers registered with CCLA Investment Management to act on behalf of the authority. CCLA was a money market fund provider which the Council used to deposit funds when the interest rates were greater than that of the Council's current account. Action was needed to remove the former S151 officer with the current one. 2 Councillors were requested to complete and sign the form at Appendix A.

RESOLVED

That the changes to the authorised officers registered with CCLA to act on behalf of the authority be approved and Councillors M. Atkinson and R. Bashir sign the Change of Signatories form.

REASON

To ensure the CCLA have an accurate record of authorised officers for dealing with Council's treasury investments.

19. RISK MANAGEMENT UPDATE – QUARTER 1, 2026/27 & 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, 2026/27 updates (Appendix 1);
- the Council's Corporate Governance arrangements; and
- the delivery of the Actin Plan 2026/27 contained within the Draft Annual Governance Statement (AGS) which formed part of the Statement of Accounts 2025/26.

She highlighted that the key point to note from the SRR in Q1 was that the score of 4 Strategic Risks had changed. SRR-02 – Organisation's Internal Capacity to Deliver had increased from 12 to 16; SRR-04 Delivery of the Local Plan had increased from 4 to 6; SRR-07 Political Leadership had decreased from 12 to 6; and SRR-13 Pendle Leisure Trust had decreased from 15 to 6 (not increased to 20, as stated in the covering report).

At the last meeting, the Director of Resources was asked to review with colleagues the scoring of the SRR-09 Achievement of carbon neutral targets by 2030. She said that the scoring was still high in Q1 but this was to be reviewed in Q2.

The Annual Governance Statement Action Plan 2026/27 Q1 update was provided at the last meeting. The update for Q2 would be presented at the next meeting.

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.

REASONS

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

20. 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).

21. EXEMPTION TO CONTRACT PROCEDURE RULES

The Director of Resources submitted a report on exemptions from Contract Procedure Rules for information. There had been 1 exemption 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 exception to the Contract Procedure Rules be noted.

Chair …….