

Meeting of: Audit & Accounts Committee

Date: 24th September 2025

Time: 6.30pm

Venue: Council Chamber, The Business Centre, Futures Park, Bacup, OL13 0BB

The meeting will also be live streamed at the following link:

<https://www.youtube.com/channel/UCrLsMDOP7AYxik5pNP0gTIA/streams>

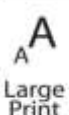
Supported by: Glenda Ashton, Committee and Member Services Officer Tel: 01706 252423

Email: glendaashton@rossendalebc.gov.uk

ITEM		Lead Member/Contact Officer
A.	BUSINESS MATTERS	
A1.	Apologies for Absence	<p>Glenda Ashton, Committee and Member Services Officer 01706 252423 glendaashton@rossendalebc.gov.uk</p>
A2.	Minutes of the last meeting To approve and sign as a correct record the Minutes of the meeting held on 28 th July 2025	
A3.	Urgent Items of Business To note any items which the Chair has agreed to add to the agenda on the grounds of urgency.	
A4.	Declarations of Interest <i>Members are advised to contact the Monitoring Officer in advance of the meeting to seek advice on interest issues if necessary.</i> Members are requested to indicate at this stage, any items on the agenda in which they intend to declare an interest. Members are reminded that, in accordance with the Local Government Act 2000 and the Council's Code of Conduct, they must declare the nature of any personal interest and, if the interest is prejudicial, withdraw from the meeting during consideration of the item.	
B.	COMMUNITY ENGAGEMENT	
B1.	Public Question Time Members of the public can register their question by contacting the Committee Officer. Groups with similar questions are advised to appoint and register a spokesperson. This is an opportunity to ask a question about a matter which the Council may be able to	<p>Glenda Ashton, Committee and Member Services Officer 01706 252423 glendaashton@rossendalebc.gov.uk</p>

The agenda and reports are also available for inspection on the Council's website <https://www.rossendale.gov.uk/>. Other formats are available on request. Tel 01706 217777 or contact Rossendale Borough Council, Futures Park, Bacup, OL13 0BB

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ITEM		Lead Member/Contact Officer
	<p>assist with. A time limit of 3 minutes applies for each question and you are only able to address the meeting once.</p> <p>To register for public question time your question must be received no later than 12noon one clear working day prior to the meeting by emailing democracy@rossendalebc.gov.uk Please give your full name, telephone number and include a copy of your question.</p> <p>Please begin by giving your name and state whether you are speaking as an individual member of the public or as a representative of a group.</p> <p>(Question time normally lasts up to 30 minutes).</p>	<p>Please register an agenda related public question by emailing glendaashton@rossendalebc.gov.uk no later than 12noon on Tuesday 23rd September 2025</p>
C.	<p>Chair's Update To receive communications from the Chair</p>	Councillor Bleakley
D.	ORDINARY BUSINESS	
D1.	Corporate Risk Register Update Q1 2025/26	<p>Chris Warren Director of Resources/s151 Officer chriswarren@rossendalebc.gov.uk</p>
D2.	Internal Audit Progress Report 2025/26	<p>Mark Baskerville Lancashire County Council Auditors mark.baskerville@lancashire.gov.uk</p>
D3.	External Audit Progress Report 2025/26	<p>Katie Kingston Forvis Mazars Auditors katie.kingston@mazars.co.uk</p>
E.	<p>EXCLUSION OF PUBLIC AND PRESS To consider passing the appropriate resolution under Section 100 (A)(4) of the Local Government Act 1972 that the press and public be excluded from the meeting during consideration of the following item of business since it involves the likely disclosure of exempt information under Paragraphs 1 and 2 of Schedule 12A of the Act.</p>	
E1.	Standards Complaints update (verbal)	Councillor Bleakley
E2.	Whistleblowing update (verbal)	Councillor Bleakley



Rob Huntington
Chief Executive

Date Published: 16th September 2025

MINUTES OF: THE AUDIT AND ACCOUNTS COMMITTEE

DATE OF MEETING: 28th July 2025

PRESENT: Councillor Bleakley (Chair)
Councillors Driver (sub), Norton, Payne, Procter and Woods

IN ATTENDANCE: Chris Warren, Director of Resources (s151 Officer), RBC
Kimberly Haworth, Head of Financial Services, RBC
Ian Walker, Service Assurance Team Leader, RBC
Andy Dalecki, LCC Internal Auditors
Katie Kingston, Forvis Mazars External Auditors
Glenda Ashton, Committee Officer, RBC

ALSO PRESENT: Councillor Walmsley

1. APOLOGIES FOR ABSENCE

- 1.1 Apologies were received from Councillor M Smith and Mr S McManus, Co-opted member.

2. MINUTES OF THE MEETING HELD ON 24TH FEBRUARY 2025

RESOLVED:

The minutes of the meeting held on 24th February 2025 were agreed as a correct record.

3. URGENT ITEMS OF BUSINESS

- 3.1 There were no urgent items of business.

4. DECLARATIONS OF INTEREST

- 4.1 There were no declarations of interest.

5. PUBLIC QUESTION TIME

- 5.1 There were no public questions.

6. CHAIR'S UPDATE

- 6.1 Following a restructure of the Economic Development Team, all staff had been placed on permanent contracts. Also, an external organisation had been employed to deliver key projects which would bring resilience to project management due to the level of personnel that can be called on.

In addition, further project management training would be provided and a piece of project management software purchased. The situation would be kept under review as new funding was secured and new projects developed.

- 6.2 The Risk Management Strategy was approved by Cabinet on 19th March. This included a recommendation that annual refresher training be completed by members and officers. This has now been completed for 2025/26.
- 6.3 The Contract Procedure Rules audit report was circulated to the Committee in February.

- 6.4 Officers with delegations to approve on system orders up to £25k was outlined.
- 6.5 A copy of the Internal Audit Annual Audit Plan 2025/26 was circulated to the Committee in March.
- 6.6 A copy of Rossendale Leisure Trust's cashflow had been received and was available for scrutiny by members. As this was the Trust's data, it would not be publicly available.
- 6.7 A review of the Debt Management Policy was in progress and would be shared as soon as completed. The policies would be taken to the Overview & Scrutiny Committee and Cabinet following reviews and benchmarking against policies of a selection of other authorities.
- 6.8 The Cross-Party Working Group was still on hold and may not be needed following the strategic leisure review.
- 6.9 Simon McManus' term of office as co-opted member had been extended for a further 2 years from September 2025.

7. REVIEW OF AUDIT & ACCOUNTS COMMITTEE TERMS OF REFERENCE

- 7.1 The Director of Resources advised that there had been no changes to the Terms of Reference and that it was good practice to review annually.

RESOLVED:

1. Members approved the Audit & Accounts Committee Terms of Reference.

8. ANNUAL FRAUD REPORT 2024/25

- 8.1 The Service Assurance Team Leader outlined the report which asked the Committee to note the update for 2024/25.
- 8.2 The following comments were made and clarifications provided:
- Fraud Awareness training was mandatory for all staff. Information on the completion rate was not known but would be passed onto the Committee following enquiries.
 - Approximately 40 officers had attended the 'lunch and learn' session which was well received. The team were thanked for providing this essential training.
 - The council publicised methods of reporting fraud including notices circulated to residents with their annual Council Tax statements.
 - In relation to 4.7.3 of the report, the Service Assurance Team Leader agreed to investigate what 'other' fraud related to.

RESOLVED:

1. The Committee noted the update on the work of the Fraud and Compliance Officer for 2024/25.

9. INTERNAL AUDIT ANNUAL REPORT 2024/25

- 9.1 The Head of Internal Audit outlined the report which asked the Committee to consider the Internal Audit Annual report for 2024/25.
- 9.2 The following comments were made and clarifications provided:
- Action plans were closely monitored by the audit team and no concerns had been

raised.

- Committee to be advised if improvements had been seen regarding accounts payable/retrospective orders.
- The Debt Management Policy was currently being drafted.
- The Suspense Account was a live account which fluctuated daily. Monies were posted to the account pending investigation and the account was reconciled monthly.

RESOLVED:

1. The Committee considered the Internal Audit Annual report for 2024/25.

10. INTERNAL AUDIT CHARTER

- 10.1 The Head of Internal Audit outlined the report which asked the Committee to approve the amended Charter. New standards came into force on 1st April 2025 which set out the regulations, roles and responsibilities for the Internal Auditors to follow.

RESOLVED:

1. The Committee considered and approved the Internal Audit Charter.

11. APPROVAL OF UNAUDITED STATEMENT OF ACCOUNTS FOR 2024/25

- 11.1 The report asked the Committee to accept the 2024/25 statutory accounts and to delegate authority to the Director of Resources, Monitoring Officer and Committee Chair to make any final amendments as necessary.

- 11.2 The following comment was made:

- The Committee recognised the achievements of the small Finance Team and thanked them for publishing the accounts by the deadline.

RESOLVED:

1. The Committee noted the contents of the report and accepted the 2024/25 statutory accounts as the final published unaudited accounts.
2. The Committee delegated to the Director of Resources and Monitoring Officer in conjunction with the Chair of the Audit and Accounts Committee, the ability to amend the documents to finalise the presentation of the statutory accounts to include the addition of the signed audit opinion and any referencing adjustments or minor amendments as necessary.

12. EXTERNAL AUDIT PROGRESS REPORT

- 12.1 The Audit Manager outlined the report which asked the Committee to consider the Audit Progress Report.

- 12.2 The following clarifications were provided:

- In order to build back assurance for the unaudited accounts from 2018/19, a thorough risk assessment would initially be completed. The first category would look at the council's internal controls with staff members at the time. The second category would look at the reserve balance and any significant risks.
- 'Proof in total' may be used in some areas but if not appropriate, balances from 2018/19 would be tested.
- Accurate balances for year 2018/19 would provide the auditors with some confidence but balances for the following 5 years would most likely need to be checked.
- Given the work that was required to build back assurance in 2024/25, accounts would

receive a disclaimed audit report.

- A clearer timeline to achieve an unmodified audit report continued to be built but was heavily dependent on the detailed risk assessment work noted above.

RESOLVED:

1. The Committee noted the External Audit Progress Report.

13. CORPORATE RISK REGISTER UPDATE QUARTER 4 2024/25

- 13.1 The Director of Resources outlined the report which asked the Committee to note the council's Corporate Risk Register, risk consequence, mitigation action and level of risk.

- 13.2 The following clarifications were provided:

- The only current red risk for the council was the sustainability of council owned leisure assets.
- It was hoped that the strategic review of council owned leisure assets would be completed by the end of the year.
- Service Area Managers had assessed Risk 3 as Amber due to the heavy-duty machinery used and work completed, including work at heights within the Operations Teams. Also, the council owned assets which stretched across the borough and many, were rightly, freely open to the public which increased the risk of accident.
- The RAG status for Risk 10 had reduced due to recruitment within the Economic Development Team, employment of third-party consultants to provide support and challenge, completion of training and the purchase of a project management tool. This risk would continue to be monitored.
- The council had a robust approach to cyber security with strong policies in place including mandatory training for members and officers and malware protection which updated daily.

RESOLVED:

1. The Committee noted the council's Corporate Risk Register for Quarter 4 2024/25.
2. Members noted the risk consequence, mitigation action and level of risk as detailed in Appendix 1.

14. EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

That the public and press be excluded from the following items of business under Section 100(A)(4) of the Local Government Act 1972 since the items involved the likely disclosure of exempt information under Paragraphs 1 and 2 of Schedule 12A to the Local Government Act 1972.

15. STANDARDS COMPLAINTS UPDATE (VERBAL)

- 15.1 An update was provided in relation to Standards Complaints.

RESOLVED:

- That the update was noted.

16. WHISTLEBLOWING UPDATE (VERBAL)

- 16.1 An update was provided in relation to Whistleblowing.

RESOLVED:

- That the update was noted.

The meeting concluded at 7.15pm

Signed (Chair)

Date

Subject:	Corporate Risk Register Update Quarter 1 2025/26 (April, May, June)	Status:	For Publication
Report to:	Audit and Accounts Committee	Date:	24 th September 2025
Report of:	Head of Finance	Lead Member:	Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input checked="" type="checkbox"/>	General Exception	<input type="checkbox"/> Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: No	Attached:	No
Biodiversity Impact Assessment:	Required: No	Attached:	No
Contact Officer:	Kimberly Haworth	Telephone:	01706 212467
Email:	kimberlyhaworth@rossendalebc.gov.uk		

1. RECOMMENDATIONS

- 1.1 That the Audit and Accounts Committee note the Council's Corporate Risk Register as detailed in this report.
- 1.2 That members note the risk consequence, mitigation action and level of risk as detailed in Appendix 1.

2. EXECUTIVE SUMMARY

- The Quarter 1 (Q1) Corporate Risks Register Update is reporting for months April, May and June 2025 and reflects risk at a point in time.
- The report includes updates for the Council's 10 Corporate Risks.
- Overall, the Council's performance is strong but the financial pressures for the Rossendale Leisure Trust and the Council are creating cost pressures which the Council must monitor closely as the financial year progresses.
- There are no Corporate Risks rated as 'red' on the RAG status.

3. BACKGROUND

- 3.1 The Council details its approach to managing risk in its Risk Management Strategy. This was updated in February 2025.
- 3.2 The strategy details the Council's risk monitoring and reporting framework. The Council has identified 10 Corporate Risks and these are monitored via the quarterly performance management reporting schedule using a RAG rating dashboard to report the risk status. These are reported to both the Overview and Scrutiny Committee and Cabinet.
- 3.3 If a potential issue was identified during the periodic monitoring of the risk, the responsible officer would be required to identify the risk and note the actions needed to mitigate the level of risk.

4. DETAILS

- 4.1 The Council has reviewed and continues to monitor the Corporate Risk Register.
- 4.2 The Councils Corporate Risks are categorised at the end of Q1 as follows:

	Quarter 1 2025/26
Low	2
Medium	8
High	0

5. RISK

- 5.1 The Council's Corporate Risk Register continues to be monitored by the Corporate Management Team on a regular basis.

6. FINANCE

- 6.1 Financial implications and risks arising are identified within this report.

7. LEGAL

- 7.1 There are no immediate legal considerations attached to the recommendations within this report.

8. POLICY AND EQUALITIES IMPLICATIONS

- 8.1 Effective risk management is very important to the council, and the council is committed to improving on an on-going basis how it manages and mitigates risk. A very important part of this process is robust and transparent scrutiny and taking timely, corrective action to improve risk management.

9. REASON FOR DECISION

- 9.1 The Corporate Risk Register is dynamic. The updates to the risks demonstrate active mitigation of the existing risks. The Committee will want to explore the implications of each corporate risk in the appendices.

Background Papers	
Q4 Corporate Risk Register	Appendix 1

Corporate Risks

Quarter 1 Corporate Risk Register

Risks are those things which might present a barrier to the Council delivering the things we have set out to achieve. Embedding risk management across the Council will ensure there is a robust and consistent process to enable the Council to make the most of its opportunities and make appropriate decisions based on accurate, relevant, timely and complete information.

As part of the Council's annual business planning process, the Council reviews the potential risks it is facing and how it might mitigate the occurrence of such risks.

Service level risks where the impact and/or likelihood of the risk occurring could be high and effect the Council's ability to achieve its objectives and priorities are escalated to a Corporate Risk. Corporate Risks are monitored by the Council's Corporate Management Team on a regular basis.

The Council uses a risk matrix to analyse the probability and impact of risks. Scores are determined by multiplying the 'likelihood' score with the 'impact' score.

Likelihood	Almost certain	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Moderate	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	Remote	1	1	2	3	4	5
			1	2	3	4	5
Insignificant			Minor	Moderate	Major	Catastrophic	
Impact							

Likelihood – How likely is it that the risk may occur.

Impact – How serious might the consequences of the impact be.

A risk scoring 25 is the highest level of risk, and a risk scoring 1 is the lowest level of risk.

Risk RAG (Red, Amber, Green) rating status indicators	
Risk Status	Status description
RED	The likelihood and impact of the risk is low
AMBER	The likelihood and impact of the risk is medium
GREEN	The likelihood and impact of the risk is high

Risk 1 – Sustainability of the Medium-Term Financial Strategy

Responsible Officer - Chris Warren

Description

The Council's latest Medium-Term Financial Strategy update indicates an underlying funding gap of c£574k in 2025/26, increasing each year thereafter to £934k in 2028/29. The Council must take appropriate action in order to balance its annual expenditure against its available annual income and other revenue resources. The Council has a legal obligation to publish an annual balanced budget; this means its budget expenditure must equal its available income and any available reserves. Council reserves are limited and equate to only circa 4 years given the anticipated funding gap. Therefore, additional income must be identified or annual costs reduced in future years. The current cost of living crisis may also add to the pressure on the Medium-Term Financial Strategy through pay award, utility costs, contract inflation and Council Tax/NNDR collection rates.

Risk Consequence

If the Council is not able to prepare a balanced budget there would be legal ramifications, but would ultimately impact on the level of services the Council is able to deliver to Rossendale residents and would result in major reputational damage.

Mitigation

The Medium Term Financial Strategy does not indicate a significant narrowing of the gap in the next four years. However there are savings plans in progress and significant commercial opportunities available towards the end of the decade. Departments the Council are under constant review and there are a series of income and savings groups in place looking for efficiencies which meet regularly. The council has sufficient reserves to cover up to and past the vesting day for Local Government Reorganisation. Across the New income generating opportunities will need to be identified to generate additional revenue, along with improved efficiency and effectiveness of service delivery. Departments across the council will need to be challenged to become more effective.

Risk assessment RAG status (after mitigation)

Likelihood	Impact	Overall Risk	Status
2	5	10	AMBER

Q1 Update

The income and savings groups have drawn up a long list of savings and income proposals which are being worked through to assign responsibility and action for delivery. Some of the savings have already been delivered through efforts to effectively manage utilities. Some items will need formal approval for delivery. On the assumption of delivery the Council has sufficient resources to deliver its core service objectives throughout the currency of the medium term financial strategy. Furthermore the council is forecasting an underspend at the end of Q1 lessening the pressure on reserves and following on from the underspend reported at the year ended 31st March 25 at which point the Council held usable reserves in the sum of c£17m with an annual revenue budget of c£11.5m. Fair Funding 2.0 will create some change for the sector and the impact of that is not fully evaluated yet and subject to change. Analysts predictions are for a flat cash settlement at the time of writing. Monitoring of the revenue and capital budgets of the Council and appropriate check challenge and action off the back of this monitoring remains a key control to minimise the risk of failure. This risk should remain on the Council's corporate risk register through Local Government Reorganisation.

Q1 risk assessment RAG status (current)

Likelihood	Impact	Overall Risk	Status
2	5	10	AMBER

Risk 2 – Major Disaster affecting the Delivery of Council Services

Responsible Officer - Clare Law

Description

The Council has statutory duties under the Civil Contingencies Act (2004) and to carry out emergency planning and business continuity management activities to minimise the impact of a civil emergency or business interruption on people living, working and visiting the borough.

Risk Consequence

Failure to have robust contingency plans in place could result in the failure to deliver Council services, such as, the collection of residential and trade waste, burial services and payment of suppliers and benefits.

Mitigation

A robust Council Emergency and Business Continuity Plan is in place. Service continuity plans are updated and tested regularly through a quarterly Emergency Planning meeting. The plans are embedded with the Corporate Management Team as critical working documents to support the continued delivery of essential council services. All managers have a copy of the overall plan and their service plan and keep them under review. The Council is a member of Lancashire County Council Local Resilience Forum. Officers attend meetings and undertake regular training exercises. The council plans are available on the Resilience Direct website. Mutual aid agreements are in place with all Local Authorities across Lancashire.

Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	2	4	8	AMBER

Q1 Update

Officers continue to attend relevant LRF meetings at Strategic and Tactical level. An up to date Local Emergency Response Plan is in place. The internal Emergency Planning Team meets quarterly, with the last meeting being in April 2025. A refreshed mutual aid agreement has been signed by all Lancashire Chief Executives and is now implemented. Officers continue to work with other agencies to plan to mitigate flooding and to develop relationships with community groups in areas with high flood risk. The out of hours response arrangements are working well. There has been additional testing of our cybersecurity arrangements and the resilience of critical IT systems and Officers continue to learn lessons and implement any additional controls required.

Q1 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	3	4	12	AMBER

Risk 3 – Incident resulting in Death or Serious Injury or HSE Investigation

Responsible Officer - Clare Law

Description

Under the Health and Safety at Work Act (1974), the Council has a duty of care towards the health, safety and wellbeing of its employees and others who may be affected by our work. In the event of a RIDDOR reportable accident, there is a risk of a Health and Safety Executive investigation and potential for a civil claim for damages.

Risk Consequence

Failure to comply with current legislation and demonstrate compliance may result in harm to staff and others, financial loss and enforcement action.

Mitigation

The Council has health and safety policies and procedures including a Health and Safety Incident Reporting Procedure in place along with a safe working culture. Actions need to be completed to address and implement a consistent approach across the Council in order to secure compliance.

Risk assessment RAG status (after mitigation)

Likelihood	Impact	Overall Risk	Status
3	5	15	AMBER

Q1 Update

Work has continued on the health and safety action plan, aided by Governance training and introduction of the new risk management strategy. Following the serious accident that occurred during the previous Quarter, a high-level investigation was carried out, and recommendations have been implemented during Q1, with arrangements to monitor progress via the Joint Consultative Committee. Lessons learned have been shared across the Council. A debrief has also been arranged and will take place in Q2. Staff have been encouraged to report all accidents, incidents and hazards through the Corporate Brief and this will be supported by a new Accident/Incident reporting and investigation policy, which will be presented for approval during Q2. Officers have continued to work proactively with the Unison Health and Safety Representative and to respond to any concerns raised by employees. Work has continued with Human Resources to develop a Wellbeing Strategy which will support all employees. Drugs and alcohol testing has continued.

Q1 risk assessment RAG status (current)

Likelihood	Impact	Overall Risk	Status
4	5	20	AMBER

Risk 4 – Changes to Government policy on the delivery of the Council’s services

Responsible Officer - Rob Huntington

Description

As a statutory body, the Council is subject to changes in policy and legislation proposed or implemented by central government that could affect how services are delivered to residents and businesses. This includes potential changes arising from local government reorganisation, which may impact the Council’s structure, responsibilities, and service delivery models.

Risk Consequence

There is a risk that the Council may fail to respond effectively and prepare for policy changes or structural reforms, including local government reorganisation, leading to disruption in service delivery, loss of local influence, or resource pressures.

Mitigation

The Council is an active member of the Local Government Association and District Councils Network, which provide updates on government policy and consultations. The Council also subscribes to daily briefings from the Local Government Information Unit (LGIU), including government news and policy analysis. The Chief Executive and Leader of the Council meet regularly with the borough’s MPs to raise local priorities and discuss emerging national issues. The Corporate Management Team continually monitors and assesses government positions on funding distribution, policy developments, and potential local government reorganisation proposals to ensure timely preparation and response.

Risk assessment RAG status (after mitigation)

Likelihood	Impact	Overall Risk	Status
1	2	2	GREEN

Q1 Update

The Council’s Policy, Performance, and Communications Officer receives regular policy bulletins and legislative updates from government departments and undertakes a weekly horizon scanning exercise. Updates are shared with the Senior Leadership Team and cascaded to relevant officers. ‘Horizon Scanning and Policy’ is a standing agenda item at the Corporate Management Team’s weekly meeting, facilitating ongoing discussions on recent announcements, funding opportunities, and other government updates to determine any required actions. Staff also attend webinars, and the Chief Executive regularly participates in the North West Chief Executives and Lancashire Chief Executives meetings, both with representation from the Local Government Association.

In Q1, officers continued to represent Rossendale in Lancashire-wide working groups for local government reorganisation, including the Chief Executives Group, HR and Workforce, Finance, Legal, Communications, and Data. Attendance at these sessions will continue to ensure Rossendale’s interests are represented and the Council remains actively engaged throughout the reorganisation process.

Q1 risk assessment RAG status (current)

Likelihood	Impact	Overall Risk	Status
1	2	2	GREEN

Risk 5 – Sustainable Workforce

Responsible Officer - Clare Law

Description

There is a requirement to have a sustainable workforce to deliver the Council services to residents and customers.

Risk Consequence

Failure to have a fully resourced, trained staff could result in the failure to deliver statutory and non-statutory service in a safe and professional manner to residents and customers.

Mitigation

The Council has robust HR policies and procedures, an agreed Authorised Establishment, performance management framework and Service Area Business Continuity Plans in place to mitigate any staffing challenges such as loss of staff due to the impact of an epidemic or pandemic. HR will work with managers to develop workforce succession planning. The Council provides an attractive benefit package including final pension scheme, flexible working, generous annual leave, a purchase leave scheme, free onsite parking, family friendly policies, discounted gym memberships and a cycle scheme to attract and retain staff.

Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	2	3	6	AMBER

Q1 Update

During Q1, 8 employees resigned; 3 due to retirement, 1 following ill health, and 3 moved on to other opportunities (2 middle managers). Data for 2024/25 suggests there is a “glass ceiling” at middle manager level where there are fewer opportunities for promotion due to the Council’s size and limited management positions. There are also challenges in recruiting to Environmental Health, HGV Mechanic and Property/Project Management roles because of competing with neighbouring authorities who offer higher salaries. Environmental Health roles have statutory duties therefore creating a risk that legal requirements may not be met. To try to mitigate these challenges, exit interviews are carried out, HR interview leavers to understand why, review this information yearly to spot patterns, and work with managers to find other solutions like reviewing job structures, considering extra pay or market supplements, and exploring shared working opportunities with other councils.

Sickness absence at Q1 was 2.10 days per FTE (230 days) which if continued over the year would equate to 8.4 days, below the Councils target of 10 days. At the same time last year, sickness was 2.76 per FTE. 1.45 Days were because of long-term absence and 0.65 due to short-term absence. The highest number of days lost in Q1 were due to Stress/Anxiety (87 days) closely followed by 85 days lost due to Muscular skeletal conditions. To address the challenge of reducing absences, a new return to work form was implemented which identifies patterns and sickness triggers so issues can be dealt with quickly. Absence Management training has been delivered to all managers to give them the knowledge and skills to deal with absences in line with the absence management process. HR will continue to support managers in dealing with absences.

To strengthen the Employee Value Proposition (EVP) to help recruit and retain staff the current Employee Assistance Scheme has been reviewed and a new provider sourced which offers additional benefits for employees to include access to counselling, an online GP service and the opportunity to purchase Home Electronic equipment through a salary sacrifice scheme.

Q1 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	4	3	12	AMBER

Risk 6 – Insufficient data and cyber security

Responsible Officer - Andrew Buckle

Description

Cyber security presents one of the most challenging areas for both the public and private sectors. With the proliferation and severity of attacks constantly increasing this represents a major threat.

Risk Consequence

Cyber-attack resulting in a complete loss of all systems coupled with malware being spread across the entire network. Data breach resulting in information loss causing reputational damage and resulting in a financial penalty due to non-compliance with statutory requirements such as General Data Protection Regulation, Payment Card Industry Data Security.

Mitigation

To protect against a data breach the Council, host all council data in Tier 3 Data Centres located in different geographical regions and are backed up daily. The Council's Data Centres hold the following accreditations: ISO27001:2022 and compliance with the PSN (Public Services Network) which means the Councils' infrastructure met all the security requirements to allow connection to the PSN. The Council adopts a Risk Insight approach to determine the threat Landscape and more importantly its evolution. A cyber security training programme is to be provided for all staff and members.

Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	3	5	15	AMBER

Q1 Update

Rossendale have received confirmation on achieving the following security certifications: · MOU (Memorandum of Understanding), the MOU details the required security standards and processes required by the DWP. The Audit covers both process, physical ICT equipment and software to ensure that security compliance with the DWP standards. · PSN audit covers both the internal and external ICT Infrastructure and involves penetration testing to try and identify any vulnerabilities. As part of the Rossendale Council's defence in depth security approach, the following programmes of work will be performed over the 25-26 period: · Futures Park replacement cloud switches. · Deployment of real time daily patches. · Implementation of SOC to prevent ransomware utilising ARP and AI. · Replacement of core perimeter firewalls. · Deployment of Zerto BCM / DR.

Q1 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	3	5	15	AMBER

Risk 7 – Poor communications and public relations

Responsible Officer - Clare Law

Description

Effective communication and public relations are vital for informing, maintaining, and strengthening relationships with our stakeholders, supporting the successful delivery of the Valley Plan 2025–2029, and ensuring effective and efficient Council services.

Risk Consequence

Failure to proactively communicate, respond to emerging issues, or inadequate or inappropriate communications could significantly damage the Council's reputation at a local, regional, or national level. Reputational damage can negatively impact staff morale, public trust, and weaken relationships with stakeholders, ultimately affecting the successful delivery of our Valley Plan 2025-2029 and services.

Mitigation

The Council has a range of digital, traditional, and internal communication methods to ensure effective outreach and engagement with stakeholders. The Council's Communications Team supports officers in delivering timely, consistent messaging that aligns with and reinforces the objectives of the Valley Plan 2025–2029. For high-profile or potentially controversial issues, an established escalation and sign-off process is followed to ensure communications are reviewed, authorised, and aligned with corporate priorities and reputational risk management.

Risk assessment RAG status (after mitigation)

Likelihood	Impact	Overall Risk	Status
4	2	8	AMBER

Q1 Update

In partnership with Viva PR, the Council continues to manage external communications through the Council's website, social media channels, and media releases. In Q1, 14 positive press releases were issued, supporting the promotion of Council activities and services. Targeted communications support was also provided for the Lancashire County Council election in May 2025.

The Council has reintroduced the use of TikTok to improve engagement and connect with younger audiences. Going forward, the Council will continue to utilise the platform and video content as part of its strategy to enhance communication and reach.

Reputational risk on social media has shown improvement in Q1, with a reduction in negative engagement compared to the previous quarter. Proactive messaging was released to address misinformation, including official statements regarding the family placed at King George's Court (Bacup) and the announcement of a new feasibility study for Bacup Market. The Council will continue to use FAQ documents for potentially contentious announcements to reduce both negativity and the spread of misinformation.

Q1 risk assessment RAG status (current)

Likelihood	Impact	Overall Risk	Status
3	2	6	AMBER

Risk 8 – Non – Delivery of Corporate Programmes

Responsible Officer - Rob Huntington

Description

The Council has agreed the 5 corporate programmes for 2025/26 to support the delivery of Corporate Plan. These are; Town Centre Regeneration, Property – Asset Review, Climate Change, Operations, and Customer Digital Strategy.

Risk Consequence

Failure to deliver the corporate programmes would have a detrimental impact on the delivery of the Council's Valley Plan 2025-29 – Our Place, Our Plan, and result in a reputational risk to the Council's commitment to the residents. The failure to deliver the corporate programmes could potentially have a negative impact on the Council's revenue budgets (by failure to deliver income generating projects) and delivery of the medium-term financial strategy, and the associated economic and social benefits may not be realised.

Mitigation

Each programme has a Programme Sponsor (member of the Corporate Management Team), a Programme Manager and Finance Officer. Each programme will have a robust plan and live risk register. The Programme Sponsor will be responsible for the strategic overview, and the Programme Manager will be responsible for the day-to-day management of activity. The Council's Programme Board meets quarterly to review the progress of its programmes. The Programme Sponsor is responsible for highlighting any concerns to the Corporate Management Team.

Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	1	2	2	GREEN

Q1 Update

Following the review of the Valley Plan 2025–29 – Our Place, Our Plan, 5 programmes have been identified, with individual projects monitored at an operational level to support delivery. Oversight of these programmes is provided through quarterly Programme Board meetings, attended by the Corporate Management Team, Programme Managers, and the Police and Performance Officer.

The most recent Programme Board meeting took place on 30th April 2025. At this meeting, 3 programmes were reported with a 'green' RAG status, 1 with 'amber', and 1 with 'red'. The Town Centre Regeneration programme received a 'red' rating due to timescale pressures and risk level. Mitigation actions were agreed within the meeting.

Following the redevelopment of Haslingden Market, a project debrief was held on 20th June 2025. Feedback from officers involved in delivery was collated, identifying project successes, lessons learnt, and recommendations to inform and strengthen the management of future projects.

Q1 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	2	2	4	AMBER

Risk 9 – Financial Sustainability of Council Owned Leisure Assets

Responsible Officer – Chris Warren

Description

National lockdowns during the Covid-19 pandemic resulted in Council owned leisure facilities closing for extended periods. During closure no income was received and outside of lockdown periods, income was significantly reduced. The Council provided a level of financial support during that time. The tail end of the cost-of-living crisis and ongoing levels of inflationary pressures on such items as salaries and utilities continue to have a significant negative impact on the sustainability of the Trust. If the trust fails to follow a strategy whereby with Council it agrees on and delivers an appropriate sustainable leisure offer for the borough there is the risk of the trust in its entirety becoming unviable leading to the curtailment of leisure activities for the residents and a significant financial pressure for the Council.

Risk Consequence

If the trust fails to deliver an agreed sustainable future operating model, the operators of the facilities have little recourse to additional funding to survive other than through the Council earmarking a level of funding. Given that the Council has limited resources itself this would lead to a decision on which services would take priority with a likelihood that services and facilities could be ceased or closed.

Mitigation

The trust has made great strides in delivering trading results to small surpluses in the last two years and continues to trade within the headroom approved by the Council. A strategic review of the Council's leisure offer has been agreed by elected members and members of the trust board. This review is out for procurement at the time of writing with an ambition to be completed by the end of the calendar year. The review will focus on the operational and financial approach to deliver a sustainable leisure offer for the borough and the appropriate governance and skills required to deliver this outcome.

Risk assessment RAG status (after mitigation)

Likelihood	Impact	Overall Risk	Status
2	5	10	AMBER

Q1 Update

The review procurement is expected to be concluded by the end of September with work to start shortly thereafter. The Q1 forecast position for the Trust is a surplus to budget which is also critical to mitigating this risk.

Q1 risk assessment RAG status (current)

Likelihood	Impact	Overall Risk	Status
2	5	10	AMBER

Risk 10 – Waste Transfer Station

Responsible Officer – Andy Taylor

Description

Following LCC's decision not to enter into a contract with Whinney Hill for the disposal of Residual Waste and Central Government's decision on the introduction of Domestic Food Waste Collections our current Waste Transfer Station no longer meets legislative requirements and as such needs replacing.

Risk Consequence

Failure to have an operational Waste Transfer Station at April 2026 will result in additional costs for running residual waste and food waste directly to Farrington.

Mitigation

The Council has a single source collaborative plan review document which will be updated and actioned on a monthly basis. A permanent resource requirement is being assessed for the Economic Development team and will feed into the budget setting process for 2025-26. On the assumption that this is accepted, recruitment of permanent, qualified staff will support delivery.

Risk assessment RAG status (after mitigation)	Likelihood	Impact	Overall Risk	Status
	4	3	12	AMBER

Q1 Update

Project is proceeding as per project plan – working through RIBA stages 0-3. RIBA 0-3 stages procured via Bloom framework at expected Budget. Key Target date for Q2 is submission of Planning application in September and move to RIBA stage 4. Residual Risk as due to change from Henrietta Street location no longer able to hit target completion date of April 26 – now looking at completion date of Dec 2026 which means that interim arrangements will be needed to transfer waste to Farrington between April 26 and Dec 26.

Q1 risk assessment RAG status (current)	Likelihood	Impact	Overall Risk	Status
	3	1	3	GREEN

Subject:	Internal Audit Plan 2025/26 Progress Report July – September 2025	Status:	For Publication
Report to:	Audit & Accounts Committee	Date:	24/09/2025
Report of:	Head of Internal Audit (Internal Audit Service)	Lead Member:	Resources
Key Decision:	<input type="checkbox"/> Forward Plan <input type="checkbox"/>	General Exception <input type="checkbox"/>	Special Urgency <input type="checkbox"/>
Equality Impact Assessment:	Required: No	Attached:	No
Biodiversity Impact Assessment:	Required: No	Attached:	No
Contact Officer:	Mark Baskerville Audit Manager	Telephone:	01772 538615
Email:	mark.baskerville@lancashire.gov.uk		

1. RECOMMENDATION

- 1.1 The Committee are asked to consider the Internal Audit report on progress to deliver the 2025/26 audit plan.

2. EXECUTIVE SUMMARY

- To support the Audit and Accounts Committee in fulfilling its responsibility to monitor performance against the internal audit plan.
- To consider a summary of internal audit activity and the level of assurance it gives over the Council's governance, risk management and internal control arrangements.

3. BACKGROUND

In the context of fulfilling its responsibility to monitor the adequacy and effectiveness of the internal audit service, and to review internal audit reports, the Committee is asked to consider the assurance provided by the Internal Audit Service.

4. DETAILS

This paper reports progress with the delivery of each audit on the 2025/26 annual audit plan

5. RISK

All the issues raised and the recommendation in this report involve risk considerations as set out below: adequacy of Council management of risks in respect of the areas subject to audit.

6. FINANCE

Any financial implications are commented upon in the report.

7. LEGAL

Any legal implications are commented upon in the report.

8. POLICY AND EQUALITIES IMPLICATIONS

Reported findings have been discussed and agreed, including management responses to the recommendations, with respective Service Managers and Heads of Service prior to reporting.

9. REASON FOR DECISION

To support the Audit and Accounts Committee in fulfilling its responsibility to monitor Internal Audit performance.

No background papers.

Appendix A

Rossendale Borough Council

Internal Audit Service

Progress Report:

2025/26 Audit Plan Delivery Q3 July – September 2025



1 Introduction

Purpose of this report

- 1.1 This report supports Audit and Accounts Committee's responsibility under its terms of reference to consider performance reports from Internal Audit on progress with delivery of the 2025/26 audit plan agreed at the July 2025 Committee meeting.

2 Summary of progress

- 2.1 The table below reports progress with delivery of the 15 audits on the 2025/26 audit plan and completion of the 2024/25 audit plan.

2024/25 Annual Audit Plan

- 2.2 The two outstanding audits have now been completed. We gave Reasonable assurance over arrangements to administer freedom of information (FoI) and subject access requests (SARs). Overall, a sound governance framework is in place, with clear roles, legal oversight, and staff training. However, procedural documents including the FOI Publication Scheme, officer contact lists, and process maps require urgent updates to reflect current practices. While cases are generally well-handled, delays in redirecting requests and lack of escalation procedures risk statutory breaches. Performance reporting is regular but needs validation prior to publication, and training attendance should be tracked and materials made accessible.
- 2.3 Salford Technical Audit Service delivers our IT audits and their audit of the Payment Card Industry Data Security Standards (PCI DSS) compliance framework has been issued in draft. Managers are considering their response to a number of recommendations raised and we will report the outcome to the Committee when a final report has been agreed.

2025/26 Annual Audit Plan

- 2.4 While we have not yet completed an audit on this year's plan, we are actively progressing three and are at the planning stage for a further four. The remainder of the audits are due to start in Quarter 4. The table below shows at which stage audits are in the audit process.
- 2.5 Early in the financial year several members of the audit team left the Service. In response, we reviewed and redesigned the Service structure to ensure the right resources are in place at the appropriate levels. This will build capacity through the recruitment of new trainees and auditors, to support the Service's long-term sustainability. We have recently appointed one auditor and two trainee auditors, and are recruiting to fill four vacancies.
- 2.6 We have included extracts from the finalised audit reports in Annex 1 to this report.

Control Area	Audit Progress	Assurance
Governance and democratic oversight		
LGA Improvement and Assurance Framework	Q4 Start	
Rossendale Leisure Trust	Q4 start	
Business effectiveness		
Capital Programme	Q4 start	
Contract management	Q4 start	
Cyber Security - Outsourced Data Centre Physical Security and Environmental Controls	Planning	
Service delivery		
Asset management	Progressing	

Service support		
Data management	Progressing	
Business processes		
Council tax	Planning	
Business rates/ NNDR	Planning	
Housing benefits	Planning	
Payroll	Progressing	
Accounts payable	Q4 start	
Accounts receivable	Q4 start	
General ledger and budget setting	Q4 start	
Income collection/ banking	Q4 start	

Stage of audit process	Number of audits
Not started	8
Planning	4
Progressing	3
Draft report	0
Completed - Final Report or no report necessary	0
Deferred/ cancelled	0
Total number of audits	15

3 Update on the National Fraud Initiative (NFI)

- 3.1 The most recent results from the council's involvement in the National Fraud Initiative NFI are shown below.

Category of data	Number of matches				Frauds	Errors	Savings identified
	identified	processed	cleared	investigating			
Housing Benefit	14	14	14	0	2	0	£26,926.13
Payroll	9	0	0	0	0	0	£0.00
Waiting Lists	84	0	0	0	0	0	£0.00
Council Tax Reduction	255	117	117	34	23	23	£5,603.05
Creditors	385	0	0	0	0	0	£0.00
Procurement	8	0	0	0	0	0	£0.00
Totals	775	131	131	34	25	23	£32,529.18

4 Use of this report

- 4.1 This report has been prepared solely for the use of Rossendale Borough Council and it would therefore not be appropriate for it or extracts from it to be made available to third parties other than the external auditors. We accept no responsibility to any third party who may receive this report, in whole or in part, for any reliance that they may place on it and we expect the external auditors to determine for themselves the extent to which they choose to utilise our work.

Extracts from Final Internal Audit reports

Freedom of Information and Subject Access Requests

Overall assurance rating



Reasonable assurance

Audit findings requiring action

Extreme	High	Medium	Low
0	0	4	1

See Appendix A for Rating Definitions

Rossendale Borough Council has established a clear governance structure to administer Freedom of Information (FOI) and Subject Access Requests (SARs), with the roles of Data Protection Officer and Senior Information Risk Owner appropriately assigned to separate officers within Legal Services, ensuring both compliance and separation of duties. All staff have completed mandatory information governance training and have access to legal support as Information Governance responsibilities are handled on a departmental basis. Guidance from the Information Commissioners Office website and Legal Services supports officers in processing FOI and SARs, and recent updates to the Retention and Disposal Policy reflect a commitment to data management. However, several key documents, including the FOI Publication Scheme, officer contact lists, and process maps, are outdated and require timely updates to ensure continuity and consistency. Training materials are relevant and comprehensive, but attendance records are not maintained and materials are not currently openly available to staff. Future sessions should be tracked and materials should be made readily available to ensure all relevant staff are equipped to meet legislative requirements.

Freedom of Information and Subject Access Requests were generally well-classified and appropriately redirected. However, there were delays in a couple of cases and the staff contact list used to allocate requests needs updated to ensure cases progress promptly. Exemptions applied to FOI responses were largely appropriate and legally justified, with only one overturned following ICO involvement. SARs were handled in line with identification requirements, and redactions were carefully reviewed and secured by legal services. No vexatious or excessive requests were identified, and legal oversight was consistently applied to ensure compliance with legislation.

The Council maintains a well-structured system for managing FOI and SARs through a central database and organised documentation, supporting secure and efficient processing. While the average response time of 19 days meets statutory requirements, delays in redirecting requests pose a risk to compliance and reputation. Weekly reports to senior management help monitor outstanding requests, but review requests are inconsistently tracked and often delayed, with some responses exceeding statutory limits by significant margins. The lack of formal escalation procedures limits the Council's ability to address delays and improve performance. Enhancing oversight and implementing targeted follow-up processes would strengthen accountability and ensure more consistent adherence to statutory deadlines.

Oversight of FOI and SAR performance is supported by regular reporting and public transparency. Weekly reports to managers generally include all relevant requests, but a lack of escalation for overdue cases limit their effectiveness. Quarterly performance is reviewed at senior management level, and one KPI is reported to committee; however, discrepancies between reported and actual figures highlight the need for more accurate data reporting. Public-facing information on the Council's website is comprehensive and up to date, including guidance on submitting requests and relevant policies. Nonetheless, the FOI Publication Scheme remains outdated and should be revised to ensure full transparency and compliance.

Agreed recommendations from the audit	Reference	Priority
Ensure all procedure documents held by Corporate Services are updated to reflect current legislation, staffing changes and new processes for administering FOI and SARs, escalating overdue requests and the handling of reviews. These documents should be made available to all relevant persons. Update the Freedom of Information Publication Scheme and ensure this is uploaded to the council website.	4.1	●
Establish a means of escalation for urgent or overdue requests and ensure reviews are included in weekly reports and future escalation. Include these new processes in updated procedure documents.	4.2	●
Ensure there are the processes in place and staff resources to monitor the dedicated FOI inbox daily and distribute all requests promptly.	4.3	●
Ensure that performance data reported to the Corporate Management Team and included in the Performance Management report is reconciled and validated prior to publication, with a clear audit trail of data sources and calculations, to maintain the accuracy and integrity of performance reporting.	4.4	●
Establish a record of attendance for future training sessions, include FOI and SARs training in inductions for all relevant staff and make training materials available to staff on the council shared drive until the intranet is reintroduced.	4.5	●

2.1 Background

This audit has been undertaken in accordance with the 2024-25 Internal Audit Plan as approved by the Audit, Risk & Governance Committee. The audit covers the period 1 April 2024 to 31 March 2025 and has been conducted in conformance with the Public Sector Internal Audit Standards.

2.2 Context

The Freedom of Information Act allows members of the public to access information held by public authorities to promote transparency and accountability. The council has a responsibility to publish certain categories of information routinely, and to disclose information when a request is made within the statutory timeframe of 20 working days. Information may be withheld if an appropriate exemption can be applied. General Data Protection Regulations allow individuals the right to access personal data held by an organisation through Subject Access Requests. The council has an obligation to respond to such requests within one month. Requestors have the facility to apply for an internal review if they are unhappy with the response from the council. The Information Commissioner's Office (ICO) recommends reviews should be completed within 20 working days. If, after going through the internal review procedure, the requestor is still dissatisfied with the response then they can make a complaint to the ICO. Freedom of Information and Subject Access Requests received by Rossendale Borough Council are administered and responded to by Corporate Support with oversight and review by Legal Services. The review assessed the processes and procedures in place to ensure statutory requirements of the Freedom of Information Act 2000; the Data Protection Act 2019 and the General Data Protection Regulations 2018 were met in processing and administering FOI and SARs.

2.4 Previous Audit

We gave Reasonable assurance in our 2019/20 audit of Freedom of Information and Subject Access Requests.

2.5 Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to legislative compliance, decision making, effective processing and oversight.

Scope, responsibilities and assurance

Approach

- 1 The Internal Audit Service operates in accordance with Public Sector Internal Audit Standards, 2017. The scope of internal audit work encompasses all the council's operations, resources and services including where they are provided by other organisations on its behalf.

Responsibilities of management and internal auditors

- 2 It is management's responsibility to maintain systems of risk management, internal control and governance. Internal audit is an element of the internal control framework assisting management in the effective discharge of its responsibilities and functions by examining and evaluating controls. Internal auditors cannot therefore be held responsible for internal control failures.
- 3 We have planned our work so that we have a reasonable expectation of detecting significant control weaknesses. We have reported all such weaknesses to management as they have become known to us, without undue delay, and have worked with management to develop proposals for remedial action.
- 4 Internal audit procedures alone do not guarantee that fraud will be detected. Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud or other irregularities which may exist, unless we are requested to carry out a special investigation for such activities in a particular area.
- 5 Internal audit's role includes assessing the adequacy of the risk management processes, key internal control systems and corporate governance arrangements put in place by management and performing testing to ensure those controls were operating effectively for the period under review.

Basis of our assessment

- 6 My opinion on the adequacy of control arrangements is based upon the result of internal audit work undertaken and completed during the period in accordance with the plan approved by the Audit and Accounts Committee. Sufficient, reliable and relevant evidence has been obtained to support the recommendations made.

Limitations to the scope of our work

- 7 Other than as set out in the audit plan for the year there have been no limitations to the scope of the audit work.

Limitations on the assurance that internal audit can provide

- 8 There are inherent limitations as to what can be achieved by internal control and consequently limitations to the conclusions that can be drawn from our work as internal auditors. These limitations include the possibility of faulty judgement in decision making, of breakdowns because of human error, of control activities being circumvented by the collusion of two or more people and of management overriding controls. Further, there is no certainty that internal controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks which may arise in the future.

- 9 Decisions made in designing internal controls inevitably involve the acceptance of some degree of risk. As the outcome of the operation of internal controls cannot be predicted with absolute assurance any assessment of internal control is judgmental.

Access to this report and responsibility to third parties

- 10 This report has been prepared solely for Rossendale Borough Council. It forms part of a continuing dialogue between the Internal Audit Service, the chief executive, Audit and Accounts Committee and management of the council. It is not therefore intended to include every matter that came to our attention during each internal audit assignment.
- 11 This report may be made available to other parties, such as the external auditors. However, no responsibility is accepted to any third party who may receive this report for any reliance that may be placed on it and, in particular, the external auditors must determine the reliance placed on the work of the Internal Audit Service.

Audit assurance and residual risks

Note that our assurance may address the adequacy of the control framework's design, the effectiveness of the controls in operation, or both. The wording below addresses all these options and we will refer in our reports to the assurance applicable to the scope of the work we have undertaken.

- **Substantial assurance:** the framework of control is adequately designed and/or effectively operated.
- **Moderate assurance:** the framework of control is adequately designed and/or effectively operated overall, but some action is required to enhance aspects of it and/or ensure that it is effectively operated throughout.
- **Limited assurance:** there are some significant weaknesses in the design and/or operation of the framework of control that put the achievement of its objectives at risk.
- **No assurance:** there are some fundamental weaknesses in the design and/or operation of the framework of control that could result in failure to achieve its objectives.

Classification of residual risks requiring management action

All actions agreed with management are stated in terms of the residual risk they are designed to mitigate.

- **Extreme residual risk:** critical and urgent in that failure to address the risk could lead to one or more of the following: catastrophic loss of the county council's services, loss of life, significant environmental damage or significant financial loss, with related national press coverage and substantial damage to the council's reputation. *Remedial action must be taken immediately*
- **High residual risk:** critical in that failure to address the issue or progress the work would lead to one or more of the following: failure to achieve organisational objectives, significant disruption to the council's business or to users of its services, significant financial loss, inefficient use of resources, failure to comply with law or regulations, or damage to the council's reputation. *Remedial action must be taken urgently.*
- **Medium residual risk:** failure to address the issue or progress the work could impact on operational objectives and should be of concern to senior management. *Prompt specific action should be taken.*
- **Low residual risk:** matters that individually have no major impact on achieving the service's objectives, but where combined with others could give cause for concern. *Specific remedial action is desirable.*



Audit Progress Report

Rossendale Borough Council

September 2025

Contents

- 01** Audit progress
- 02** National publications
- 03** Financial Reporting Council's Audit Quality Inspection and Supervision Report 2025

01

Audit progress

Audit progress

Purpose of this report

This report provides the Audit and Accounts Committee with information about progress in delivering our responsibilities as the external auditors for the Council.

Audit for the year ending 31 March 2024

Whole of government accounts

We received confirmation from the NAO that no further work was required on the Council's WGA return. We issued our 2023/24 Audit Certificate on 20 August 2025.

Audit for the year ending 31 March 2025

Audit of financial statements

In our July progress report, we reported the NAO had issued LARRIG06 which details their guidance on rebuilding assurance where disclaimed opinions have been issued.

We have commenced our risk assessment procedures to determine the appropriate audit response to rebuilding assurance at the Council. The first part of the risk assessment considers whether we can apply the proof-in-total approach outlines in LARRIG06. This initial assessment requires significant input from the Council's finance team, we have sent our information we requests and are awaiting responses from Council officers. We have worked with management to establish a timeframe to conclude this initial assessment, we hope to have this completed by early October.

The conclusion of our initial risk assessment will establish the audit procedures we will be required to complete over the years where disclaimed audit opinions have been issued. We will continue to discuss the process and the outcome/way forward with management and will report back to a subsequent Audit & Accounts Committee.

Value for Money arrangements

We have commenced our work on the Council's value for money arrangements and will conclude this element of our work before the end of November 2025, when our draft Auditor's Annual Report is required to be issued. In 2023/24 we reported that two of the previously identified significant weaknesses had been addressed and our Auditor's Annual Report highlighted the two extant significant weaknesses in the Council's arrangements. Although progress had been made in addressing the recommendations throughout 2023/24, they were not completed and implemented by the year end. The Council has reported progress in addressing the two remaining significant weaknesses during 2024/25. We will consider the Council's progress in implementing the recommendations in 2024/25, alongside our work on the Council's arrangements during the year, in order to conclude whether the weaknesses have been addressed.

National publications

National publications

Publication/update		Key points
Chartered Institute of Public Finance and Accountancy ('CIPFA')		
1	CIPFA Bulletins	CIPFA has issued one Bulletin since we provided our last progress report. For information only.
2	Consultation on the 2026/27 Code of Practice on Local Authority Financial Reporting in the UK	CIPFA/LASAAC has issued its annual consultation on the 2026/27 Code of Practice on Local Authority Accounting in the United Kingdom (the Code). Responses are requested by 12 October 2025. For the Council to consider if they would like to respond.
National Audit Office ('NAO')		
3	Ministry of Housing, Communities & Local Government Accounts 2024-25	MHCLG has published its 2024-25 accounts. A clean audit opinion has been issued, providing assurance to Parliament on the financial statements. For information only.
4	Whole of Government Accounts 2023-24	The C&AG has disclaimed his opinion on the WGA financial statements due to severe backlogs in English local authority accounts and audits. For information only.
5	NAO Report: Using data analytics to tackle fraud and error	This report examines how well placed government is to seize the opportunity offered by old and new data analytics technologies to tackle fraud and error. For information only.
6	Publication of LARRIG 06	To highlight the publication of Local Audit Reset and Recovery Implementation Guidance ('LARRIG') 06: Special considerations for rebuilding assurance for specified balances following backstop-related disclaimed audit opinions. For information only.
Other		
7	The Local Audit (Major Local Audit) (Amendment) Regulations 2025	The Statutory Instrument which amends the Local Audit Regulations 2014 has been laid in Parliament and approved, redefining the thresholds for the audit of an authority to be considered a major local audit. For information only.

National publications

CIPFA

1. CIPFA Bulletins

Bulletins issued by CIPFA, with the assistance of CIPFA panels, provide practitioners with topical guidance on specific issues and accounting and reporting developments.

CIPFA Bulletin 20: IFRS 16 transition clarifications

The 2024/25 Code fully adopted IFRS 16 Leases. This bulletin has been written to provide additional guidance in relation to assets held by police and crime commissioners and used by chief constables. It also includes a clarification with regards to applying IFRS 16 transition arrangements to service concession arrangements.

Link: [CIPFA Bulletin 20 IFRS 16 transition clarifications](#) – 23 June 2025

2. Consultation on the 2026/27 Code of Practice on Local Authority Financial Reporting in the UK

CIPFA/LASAAC has issued its annual consultation on the 2026/27 Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The 2026/27 Code will apply to accounting periods starting on or after 1 April 2026. The changes and feedback requested in the invitation to comment (ITC) for the 2026/27 Code relate to the following:

- CIPFA LASAAC's strategic plan, including the Better Reporting Group;
- Financial reporting reforms for 2026/27;
- Changes to accounting standards for 2026/27; and
- Other financial reporting or emerging issues.

The invitation to comment (ITC) summarises the possible changes to the Code. Where CIPFA/LASAAC is interested in specific issues, consultation questions have been included in the ITC. However, CIPFA/LASAAC welcomes comments on any aspect of the draft 2026/27 Code. Responses are requested by 12 October 2025, 23:00. For more information, an hour-long CIPFA webinar on the 2026/27 Code consultation is being held in September 2025.

Link: [Consultation on 2026/27 Code of Practice on Local Authority Financial Reporting UK](#) – 14 August 2025

National publications

NAO

3. Ministry of Housing, Communities & Local Government Accounts 2024-25

The Ministry of Housing, Communities & Local Government (MHCLG) has published its 2024-25 accounts. Gareth Davies, the Comptroller and Auditor General (C&AG), has issued a clean audit opinion, providing assurance to Parliament on the financial statements.

The publication share highlights from his audit certificate. You can read the full certificate and report on the accounts in context in MHCLG's annual report and accounts.

Link: [Ministry of Housing, Communities & Local Government Accounts 2024-25 – 24 July 2025](#)

4. Whole of Government Accounts 2023-24

The Whole of Government Accounts consolidates the accounts of over 10,000 public sector bodies, including central and local government and public corporations such as the Bank of England, to provide the most complete and accurate picture of the UK's public finances.

HM Treasury has published the Whole of Government Accounts for 2023-24. Gareth Davies, the Comptroller and Auditor General (C&AG), has disclaimed his opinion on the financial statements, providing no assurance to Parliament on the financial statements. This is due to severe backlogs in English local authority accounts and audits.

Link: [Whole of Government Accounts 2023-24 – 17 July 2025](#)

5. NAO Report: Using data analytics to tackle fraud and error

This report examines how well placed government is to seize the opportunity offered by old and new data analytics technologies to tackle fraud and error. We look at what government is already doing and set out the challenges. The report sets out:

- case studies of how the private sector and government are already using data analytics to tackle fraud and error; and
- lessons from these case studies, and our discussions with those involved in implementing them, about the strategic challenges.

Link: [Using data analytics to tackle fraud and error – 9 July 2025](#)

6. Publication of Local Audit Reset and Recovery Implementation Guidance (LARRIG) 06

This LARRIG sets out guidance to auditors of English local authorities in circumstances where the auditor's opinion on the prior year financial statements has been disclaimed because of backstop arrangements included in the Accounts and Audit (Amendment) Regulations 2024.

Its purpose is to assist auditors in the process of rebuilding assurance for specific classes of transactions, account balances and disclosures which warrant special consideration beyond the general principles set out in other LARRIGs. It provides principles as well as indicative procedures which, with the application of professional judgement, enable the auditor to make a timely return to being able to determine that, based on sufficient appropriate audit evidence, the financial statements are free from material misstatement.

Whilst this is not directly applicable to Transport for the North as we gave an unqualified opinion on the accounts in 2023-24, it is included here to provide context on the local audit system as a whole.

Link: [Auditor guidance notes](#) – 9 June 2025

National publications

Other

7. The Local Audit (Major Local Audit) (Amendment) Regulations 2025

The Statutory Instrument which amends the Local Audit (Professional Qualifications and Major Local Audit) Regulations 2014 has been laid in Parliament and approved. These Regulations provides that in “relation to a financial year beginning on or after 1st April 2025, an audit of the accounts of a relevant authority (as defined in section 2 of the Local Audit and Accountability Act 2014 (c. 2)) is a “major local audit” if the higher of the relevant authority's total income and total expenditure for that financial year exceeds £875 million”.

Link: [The Local Audit \(Major Local Audit\) \(Amendment\) Regulations 2025](#) – 17 August 2025

Financial Reporting Council's Audit Quality Inspection and Supervision Report 2025

Financial Reporting Council’s Audit Quality Inspection and Supervision Report 2025

Audit quality

The Financial Reporting Council’s (FRC) [Audit Quality Inspection and Supervision Report 2025](#) on Forvis Mazars LLP was published on 15 July 2025, based on work undertaken during the 2024/25 inspection cycle, through review of a sample of our Public Interest Entities and other FRC scope audits and other wider measures of audit quality such as the firm’s systems of quality management (SoQM). The report does not cover our audit of Public Sector entities.

Audit quality inspections

We are pleased that this year’s AQR results reflect our significant progress in delivering audit quality, showing a **90%** profile of audits inspected as good or limited improvements required. Moreover, the combined results of FRC inspections together with the firm’s internal file inspections of FRC-scope audits this cycle show **86%** as either good or limited improvements required. This is a testament to our team’s commitment to audit quality and their hard work, and the effectiveness of our long-term investment in audit quality through training, technology, leadership and a culture of continuous improvement.

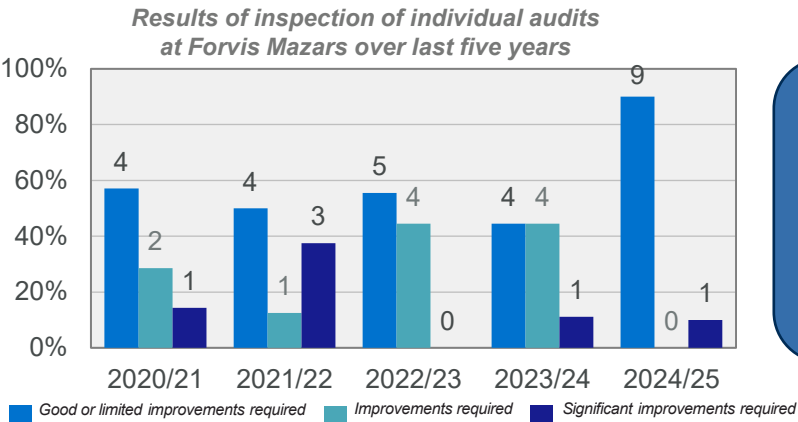
We are encouraged that the FRC recognises that the firm has continued to invest in audit quality and made good progress through our Audit Quality Transformation Plan (AQTP). The FRC also noted that the firm’s communications remain clear and consistent around the importance of audit quality, and the firm’s new four-year strategy and the firm’s new senior management continue to reinforce this message.

System of quality management (SoQM)

This is the first inspection cycle when ISQM (UK) has been applicable for the whole period, as 2023/24 was a transitional cycle from the ISQC (UK) 1. We have invested considerable time and resources in developing our SoQM and in monitoring responses, and we are pleased to see the FRC recognise this commitment. We recognise that whilst significant improvements have been made in the last year, we continue to enhance and develop our approach and documentation. We are in the process of addressing the findings raised this cycle – strengthening our responses to quality risks, design assessment and monitoring activities.

Key actions

To sustain and build on our progress, we will keep working hard and putting quality first, every time. We have strengthened our team, bringing in experienced individuals and top talent to support our success. We have taken robust actions to address the findings and root causes and apply the positive learnings. These include strengthening the firm’s policy on file archiving, reinforcing the guidance on group audits, and further improving our portfolio reviews and project management. We will sustain our efforts in ensuring that our quality plan and actions are fully embedded in our firm’s SoQM as part of ‘business as usual’ (BAU) and within the firm’s culture.



90% of audits inspected by the FRC in 2024/25 were assessed as requiring no more than limited improvements

Good practice on individual file inspections

The FRC has identified examples of good practice, including on revenue, group audits and technical insurance provisions (including the involvement of actuarial specialists). These are positive indications of the effectiveness of our actions to enhance quality which are now better embedded into our firm’s SoQM. We are sharing these good practice examples with our teams to drive consistency and enhance audit quality.

Commitment to audit quality

Audit quality remains a strategic priority for our firm and our people. Our commitment and key strategic priority is to ensure the delivery of high-quality audits and to play our part in safeguarding the public interest, restoring trust in audit and corporate governance.

Whilst we are encouraged by the improvements, we know that audit quality is not a fixed point: sustaining the delivery of quality requires consistent focus on people, processes and technology. We remain focused on continuous improvement and on delivering audits that serve the public interest in the long term.

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