

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROSSENDALE BOROUGH COUNCIL (the "Authority")**

### **Issue of audit opinion on the financial statements**

In our audit report for the year ended 31 March 2017 issued on 29<sup>TH</sup> July 2020 we reported that, in our opinion:

- the financial statements present a true and fair view of the financial position of the Authority and Group as at 31 March 2017 and of its the Authority's and Group's expenditure and income for the year then ended; and
- the financial statements have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law.

### **Issue of qualified conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources**

In our audit report for the year ended 31 March 2017 issued on 29<sup>th</sup> July 2020 we reported a qualified conclusion in the following terms:

#### **Basis for qualified conclusion**

Our review of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources identified the following matter.

In November 2015 the Authority's internal audit provider published a report based on its review of the Authority's Empty Homes Programme (the "Programme"). The report concluded that:

- the Authority's internal financial and legal procedures were overlooked or overridden
- the work of the external contractor was taken wholly on trust and warning signs were ignored
- almost every management control that the Authority should have operated was overridden and there was only minimal oversight and supervision by members of the senior management team, and
- the Authority failed to identify or control the risks associated with incurring costs on its partners' behalf and outsourcing its responsibilities to an external contractor.

On receipt of the internal audit report the Authority took immediate action to identify the improvements that were needed and the Authority's formal response to the report was presented to the Authority's Accounts and Audit Committee in March 2016 through the 'Rossendale Council Public Improvement Plan. The Improvement Plan included four key areas where improvements were required.

An Improvement Plan update in June 2016 showed that the majority of the required improvements had been made. Internal audit formally reported on this later in the year and concluded that the arrangements had been improved in three of the four areas, but that further action was needed to ensure compliance with the Authority's internal procurement procedures.

This matter identifies weaknesses in the Authority's arrangements for ensuring compliance with their internal procurement procedures.

This is evidence of weaknesses in proper arrangements for procuring supplies and services effectively to support the delivery of strategic priorities.

### **Qualified conclusion**

On the basis of our work, having regard to the guidance on the specified criteria issued by the Comptroller and Auditor General in November 2016, except for the effects of the matter described in the basis for qualified conclusion paragraph, we are satisfied that in all significant respects the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017.

### **Certificate**

In our report dated 29<sup>th</sup> July 2020, we explained that we could not formally conclude the audit on that date until we had completed our consideration of matters brought to our attention. These matters have now been dealt with.

No matters have come to our attention since that date that would have a material impact on the financial statements on which we gave an unqualified opinion and conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.

We certify that we have completed the audit of the financial statements of the Authority in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice issued by the National Audit Office on behalf of the Comptroller and Auditor General.

*Paul Dossett*

Paul Dossett Key Audit Partner  
for and on behalf of Grant Thornton UK LLP, Local Auditor

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28 July 2022