

## AUDIT COMMITTEE

6.00 P.M.

30TH JULY 2025

**PRESENT:-** Councillors David Whitaker (Vice-Chair in the Chair), Ruth Colbridge, Peter Jackson and Colin Hartley

Apologies for Absence:

Councillors Paul Stubbins (Chair), Brett Cooper and Isabella Metcalf-Riener

Officers in attendance:

Paul Thompson  
Claire Dubelbeis  
Fiona Hill  
Haley Garstang  
Sarah Moorghen

Chief Officer - Resources and Section 151 Officer  
Projects and Performance Manager  
Engagement Manager  
Corporate Fraud Manager  
Democratic Support Officer

Also in attendance:

Richard Lee  
Babar Abbas  
Councillor Tim Hamilton-Cox

KPMG  
KPMG  
Cabinet Members for Finance and Property

### 15 MINUTES

The minutes of the meeting held on 21<sup>st</sup> May 2025 were signed by the Vice-Chair as a correct record.

### 16 ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIR

There were no items of urgent business.

### 17 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 18 STRATEGIC RISK MANAGEMENT

The Projects and Performance Manager provided an update on the Authorities progress in updating the Strategic Risk Register.

It was reported that following the recommendations of consultancy work commissioned on risk management, the impact vs likelihood matrix had been changed from a 4 x 4 to a 5 x 5. The Committee was advised that this would bring the Authority into line with best practice and allow greater differentiation of risk severity.

The Committee was advised that there were currently 25 Strategic Risks open on the register.

The Council's Strategic Risk Register was appended to the report for the Committee's consideration and showed the changes made during the last quarter covering the period 13<sup>th</sup> May 2025 to 17<sup>th</sup> July 2025.

A summary of the main changes was provided, and Members asked questions on specific items of risk.

Members asked questions and the Cabinet Member for Finance and Property requested that it be noted that he felt that the risk score on SR01 Central Government Funding was too low/optimistic.

***Resolved:***

That the report be noted.

**19 CORPORATE ENQUIRY TEAM – BUSINESS PLAN 2025**

The Corporate Fraud Manager presented the Corporate Enquiry Teams Business Plan for 2025/26.

The Committee was advised that the Business Plan had been produced to document the work of the Corporate Enquiry Team and to outline the responsibilities and key objectives for the team in the coming years. It provided financial and performance information and a risk analysis of possible events that could adversely affect the service in the future.

It was reported that the 2025/26 proposed budget for the Corporate Enquiry Team Shared Service was £192,650. The costs were shared between Preston 40%, Lancaster 40% and Fylde 20%.

***Resolved:***

That the Business Plan 2025/26 be noted.

**20 COUNTER FRAUD - ANNUAL REPORT 2024/25**

The Corporate Fraud Manager presented a report which informed the Committee of the extent and outcome of counter fraud work during the 2024/25 financial year.

The Committee was advised that the Corporate Fraud Team, shared between Preston, Lancaster and Fylde Councils and also known as the Corporate Enquiry Team (CET), also worked in partnership with the Housing Department and Social Housing providers to investigate tenancy fraud.

The report detailed performance and counter fraud activity undertaken by the Corporate Enquiry Team during 2024/25.

It was reported that the Corporate Enquiry Team consisted of five members of staff and had a performance target of £110,000 but achieved £373,705.84 in 2024/25. This included areas such as Council Tax Support, Council Tax Benefit, Housing Benefit, and Right to Buy. With regard to Right to Buy £222,700 was saved as a result of investigations by the Team who retained the housing stock as an asset for the Council.

Members asked a number of questions in relation to savings calculations and right to buy.

The Committee also congratulated the Corporate Enquiry Team on being nominated for

3 awards by the Institute of Rating, Revenues and Valuation for Excellence in Anti-Fraud and Excellence in partnership working for both the Lancaster City Council partnership and the Fylde Borough Council partnership.

***Resolved:***

That the Counter Fraud Report 2024/25 be noted.

**21 INTERNAL AUDIT PROGRESS REPORT**

The Engagement Manager presented a report which advised Members of the latest position regarding the Internal Audit plans for 2024/25 and 2025/26 and provided a summary of Internal Audit activity which complied with the requirements of the Public Sector Internal Audit Standards.

The Internal Audit Progress Report was appended to the report for the Committee's consideration.

The Committee was advised that three reports had been finalised. There were also a number of reports being planned, in progress or at the draft report stage.

Members were advised on two proposed changes to the Internal Audit plan, the first was that the Financial Controls Review would be pushed from Quarter 3 to Quarter 4. The second was that the High Street Heritage Action Zone funding received by the Council, required an auditor's certificate to verify the funding expenditure. It was proposed that the Contingency time in the Audit Plan would be used to complete this work.

Members asked a number of questions regarding the statutory compliance review and the review on procurement cards.

***Resolved:***

That the latest monitoring position in relation to the 2024/25 audit plans be noted.

**22 STATEMENT OF ACCOUNTS UPDATE**

The Chief Finance Officer provided the Committee with an updated position regarding the audit of 2020/21, 2021/22, 2022/23 and 2023/24 Statement of Accounts, and the position of the 2024/25 Financial Statements.

It was reported that, at the last meeting, the Committee had been informed that the audits of the 2019/20 – 2022/23 Financial Statements had been concluded. However, the Committee was also aware of a number of longstanding objections to the Council Financial Statements and the impact on the certification and closure of the audits.

The Committee was advised that following consideration of further correspondence and in consultation with PSAA and NAO, Deloitte's had issued the audit certificates on the 3<sup>rd</sup> July 2025. As a result, the audits of the financial years 2019/20, 2020/21, 2021/22 and 2022/23 were now formally concluded.

It was noted that the Council had incurred additional fees of £48,191 for dealing with the objections.

The Committee was provided with an update on the 2023/24 and 2024/25 Financial

Statements.

The Committee asked a number of questions on the objections, staffing resources, fees and how the cycle of disclaimed opinions.

***Resolved:***

- (1) That the conclusion of the 2019-20 to 2022/23 audits be noted.
- (2) That on the conclusion of the 2023/24 audit the Chair, in consultation with the s151 Officer, be given delegated authority to approve the 2023/24 Statement of Accounts.
- (3) That the publication of the 2024/25 Statement of Accounts and the s151 Officers comments around the timing of the audit, the potential impact on the Council's statutory functions and audit achievement of the "backstop" deadline be noted.

## **23 LOCAL AUDIT REFORMS**

The Chief Finance Officer presented a report which informed the Committee of the Government's response to the consultation on Local Audit Reforms.

It was reported that in December 2024 the Government had issued a consultation, "Local Audit Reform: A Strategy for overhauling the Local Audit system in England". The consultation covered a range of matters such as:

- Local Audit Office remit,
- Financial Reporting and Accounts,
- Capacity and Capability, and,
- Audit Committees etc.

The Committee was provided with a summary the Government's response to the consultation feedback they had received and what actions they proposed to take.

The Committee was advised that the consultation focussed on strengthening the role of Audit Committee and would also mandate that Audit Committees should have at least one independent member.

Members asked questions on timescales and appointment of an independent member.

***Resolved:***

That the Government's response to the consultation on Local Audit Reforms be noted.

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Chair

(The meeting ended at 7.25 p.m.)

**Any queries regarding these Minutes, please contact  
Sarah Moorghen, Democratic Support - email [smoorghen@lancaster.gov.uk](mailto:smoorghen@lancaster.gov.uk)**