

Minutes of: **AUDIT COMMITTEE**

Date of Meeting: 20 October 2025

Present: Councillor E Moss (in the Chair)
Councillors R Bernstein, D Berry, I Gartside, M Hayes, J Hook,
G McGill, M Rahimov and M Rubinstein

Mr B Thomas – Independent Member
Mr D Webster – Independent Member

Also in attendance: Neil Kissock, Section 151 Officer
Simon Peet, Assistant Director of Finance
Jacqui Dennis, Monitoring Officer
Adrian Blackshaw, Senior Auditor
Judith Smith, Senior Auditor

Public Attendance: No members of the public were present at the meeting.

Apologies for Absence: None

AU.94 APOLOGIES FOR ABSENCE

AU.95 DECLARATIONS OF INTEREST

Councillor Bernstein declared an interest in item 12 – Internal Audit Reports and follow ups as he was a governor at a school that was referenced with in the report.

AU.96 MINUTES OF THE LAST MEETING

It was agreed:

That subject to the inclusion of Mr David Webster as being in attendance at the meeting the Minutes be approved as a correct record and signed by the Chair.

AU.97 MATTERS ARISING

Mr Webster referred to Minute AU.88 Corporate Risk Register, Risk Management Strategy and the question that he had raised in relation to roles and responsibilities and the Audit Committee being included within the Roles and Responsibilities. He asked whether this information had now been included.

It was reported that this had been included.

Councillor Hayes referred to the production of a briefing note that was mentioned in relation to Internal Audits of Schools and Children's Services and asked whether this had been completed.

Judith Smith reported that the note had not yet been finalised and an update would be given at the next meeting.

AU.98 COUNCIL IMPROVEMENT PLAN

The Section 151 Officer presented a report providing the third update on activity and delivery against the action plan with the previous updates being brought in April and July 2025 and highlighting the improvement work that has been carried out by the Assurance Boards. In addition to the work carried out by the Boards there have been Council wide briefings, Senior Management sessions and Strategic Leadership Team engagement with the improvement work and compliance sprints.

The Action Plan was set out and it was explained that there continues to be progress made within the expected target date.

The plan was split into the following areas:

- a. Financial Resilience – All actions are on track or complete. The Finance Board continues to be run monthly overseeing the key milestones in the Improvement work plan. At September, the Board was updated on the opportunities from the zero based budget longlist and Medium Term Financial Strategy (MTFS) risk areas to be considered along with the immediate actions and budget timetable with the revised list of budget options to come back to the next board. This will then be on track for delivery of the MTFS, this matter will be considered by Cabinet at their meeting in November.
- b. Finance Capacity and Transformation - With regards to Phase 1, job adverts are currently live for the strategic lead level roles, with the next tier down due to be advertised imminently. For Phase 2 – the completed work from the Zero Based Budgeting project has informed the structure required going forward, the job descriptions and consultation have been drafted with view to consultation going live in November.
- c. Governance and Compliance including Estate Management and Leadership and Governance Arrangements - All of these actions are now complete with assurance of delivery of the wider Improvement Work Plan being held with the Property and Estates Board

Those present were given to opportunity to ask questions or make comments and the following points were raised:-

- Councillor Hook referred to the Asset Register and asked whether the delay in relation to the valuations had impacted the External Auditors work.

The S.151 Officer explained that the delay had been due to external valuers and had impacted on the production of the accounts but this wasn't part of the action plan.

- Councillor Hook asked whether the valuation should have been included. It was advised that the key action was to have 1 reconciled register which was now in place.

The Monitoring Officer explained that all of the Assurance Boards have produced forward plans and produce highlight reports which feed into the Exec Team and 6 month reviews are carried out.

- Councillor Hook asked whether it would be possible to receive a priority list of what the highest priorities are and the work that is being undertaken by each Board to show they are being met.

The Monitoring Officer reported that the work was not 6 months and then done, it was a rolling plan and was about how the assurance boards develop. The February 2026 meeting will be the main update with the Leader and the Portfolio holder in attendance.

- Councillor Gartside referred to the recruitment delay that had been reported at phase 1 of the Finance Capacity and Transformation actions and asked what contingency was in place if phase 2 slip as well.

It was reported that recruitment was now live for the posts and interviews planned for November. This was still within the remit to get phase 2 completed as set out in the plan.

The S.151 Officer explained that the Boards were not a 12 month programme that was set, the Boards were developing as they were going along. The next update would be due at the February meeting of the Committee and this would be the 6 month update that would be presented by the Leader and portfolio holder.

It was agreed:

That the Audit Committee

1. Note the progress detailed in the action plan update.
2. Endorse the action plan.

AU.99 2024/2025 DRAFT ACCOUNTS

The Director of Finance presented a report introducing the Draft Statement of Accounts.

The report explained that in accordance with the Accounts and Audit Regulations 2015 (as amended) the Unaudited Draft 2024/25 Statement of Accounts were signed by the Director of Finance (S151 Officer) on Tuesday 14 October 2025 much later than the 30 June deadline. This was due to the delay in receiving the information required for the valuation of the council's non-current assets. A delay notice was published on the Council website.

The Draft 2024-25 Annual Governance Statement was also published on the same day, so that the council was able to commence the 30-working day period for the Exercise of Public Rights from Thursday 16 October 2025 and this will end on Wednesday 26 November 2025.

The Accounts and Audit (Amendment) Regulations 2024 came into force on the 30 September 2024, this legislated the statutory backstop dates, including the 2024/25 Statement of Accounts of Friday 27 February 2026. To comply with the backstop date legislation the Council must publish accountability statements on the website by this backstop date, accountability statements need to include:

- The Statement of Accounts together with the Audit Opinion and any certificate.
- The Annual Governance Statement.
- The Narrative Statement (the Council includes this within the Statement of Accounts)

Whilst there is no longer a requirement for those charged with governance to approve the Unaudited Draft Statement of Accounts and Draft Annual Governance Statement, Audit

Committee are asked to consider and note the Unaudited Draft 2024/25 Statement of Accounts (Appendix 1) and Draft 2024/25 Annual Governance Statement (Appendix 2).

Those present were given the opportunity to make comments and the following points were raised:

- Councillor Hook referred to the previous years' accounts document where the Council's income had been set out and asked if this could be included again as she had found this information useful.
- Councillor Moss referred to the Annual Governance Statement section of the Draft Accounts which included the Head of Audit Opinion of Limited Assurance and stated that as there were a large number of limited assurance audits should the AGS and statement include this more prominently to reflect the seriousness.
- Councillor Bernstein referred to the joint venture with Bruntwood and the recorded loss and asked whether this was being looked at, this was confirmed.
- Mr Webster, Independent Member referred to the 23/24 statement of accounts and the figure of 4.8m that had been restated and asked why this was.

The S.151 Officer explained that this related to reconciliation work from the 24/25 outturn in relation Health and Adult Social Care which had impacted on the 23/24 accounts so required restating. It was explained that this had been reported through the Overview and Scrutiny Committee and the Cabinet.

- Councillor Moss referred to income and expenditure statements comparing 24/25 to the previous year and the increase in gross expenditure in Health and Adult Care and Children's and Young People and reduction in income and asked if there was an explanation.

The Assistant Director of Finance explained that a number of schools had academized during this time which meant a reduction in the DSG Grant. There had also been increases in both adults and children's social care demand.

- Councillor Gartside referred to the reduction in reserves that was set out within the report.

The S.151 Officer confirmed that the usable reserves had reduced due to the £10m gap forecast.

- It was asked where the Council was up to in relation to Zero Based Budgeting.

The S.151 Officer explained that a list of priorities had been produced and was due to be presented at the December Cabinet. All work was on track. It was explained that the Fair Funding Review was underway and the Council would receive a final settlement in December.

- Mr Thomas, Independent Member referred to external providers in relation to the accounts process such as the LGPS and asked how their work was monitored and challenged if needed and how they could be held to account.

The S.151 Officer explained that he next tri-annual pension valuation was coming up and valuation actuaries would be undertaking the work required. The S.151 Officer reported that would be attending a GM Treasurers meeting at the end of the week when an update on this would be provided. It was also reported that contract management would be a key

development going forward and the Council would need to make sure that they are happy with future contracts and expectations.

It was agreed:

That the Unaudited Draft 2024/25 Statement of Accounts be noted.

AU.100 ANNUAL GOVERNANCE STATEMENT

The Director of Law & Governance and Monitoring Officer presented the Draft Annual Governance Statement (AGS) for 2024–25. It was explained that the Statement provides a comprehensive overview of the Council's governance framework, its effectiveness, and the actions taken to address key challenges.

The Council has taken significant steps to strengthen governance arrangements throughout the year and has implemented improvements in response to the improvement notice from our external auditors Forvis Mazars, the details of the improvement plan and work carried out by the Council is set out in this statement. The AGS outlines the Council's commitment to transparency, accountability, and continuous improvement in governance practices and sets out further improvement activity for 2025 – 26.

Those present were given the opportunity to ask questions and make comments and the following points were raised:

- Councillor Gartside referred to the 'LET'S Do It' Strategy and the staff training events that had been provided to 1400 staff members. He asked what the measurable improvements were from these sessions.

It was explained that staff understanding of the Let's agenda had grown to ensure that all staff members were aware of what was needed to deliver the vision and ambitions by 2030 and what the core outcomes were. This was monitored through performance dashboards, and KPI's and was reinforced through team meetings and other staff engagement.

- A question was asked in relation to Member Development and it was explained that the Member Development Group meet regularly to review the offer to members. An updated programme was due to be reported at the next meeting of the group.
- Councillor Moss referred to the page layout within the document and some of the numbering and it was explained that this would be corrected within the final document

It was agreed:

That the draft Annual Governance Statement be noted.

AU.101 EXTERNAL AUDIT PROGRESS REPORT

Karen Murray, Partner at Forvis Mazars, the Council's External Auditors, presented a report updating the Audit Committee on the 2023/24 fees, progress made in relation to the 2024/2025 Financial Statements Audit and the 2024/25 Value for Money work.

It was explained that Public Sector Audit Appointments Limited ('PSAA') have the duty to specify scales of fees as the appointing person, following consultation with key stakeholders. Following the backstop deadlines of 13 December 2024 and 28 February 2025, a large proportion of local authorities received a disclaimer of opinion in their audit reports, including Bury Council. Consultations have taken place for local authorities who received a disclaimed of opinion and now PSAA have confirmed the revised audit fees for these audits. This includes the original 2023/24 fee, the revised 2023/24 fee, and the 2024/25 fee.

The fees were set out within the report for years ending 31 March 2022, 31 March 2023, 31 March 2024 and the proposed fees for the year ending 31 March 2025.

In relation to the 2024/2025 Financial Statements Audit it was explained that in their previous progress report, Forvis Mazars had reported that Government had issued its response to the consultation on local audit reform. Following this, they were expecting to receive further guidance in July 2025 from the National Audit Office (NAO) to support the rebuilding of assurance. They have received the guidance they require to make their assessment on how to rebuild assurance for Bury Council. This follows the Council's disclaimed audit reports for the three years ending 31 March 2022, 31 March 2023 (in December 2024) and 31 March 2024 (in February 2025).

It was concluded that they cannot begin the work to rebuild assurance as part of their audit for the year ending 31 March 2025 as there would be too much work to complete, therefore the intention will be to disclaim the 24/25 Financial Statements Audit.

This reflects two main issues. Firstly, the Council's financial statements for the year were not prepared and published in line with the statutory deadline of 30 June 2025 and were still not published at 30 September. Secondly, the Council's control environment operating across the period from 2022 to date was poor. This significantly impacts the work required to rebuild assurance and Forvis Mazars do not consider this feasible by the end of February 2026.

With regards to the Value for Money work, it was reported that the external auditors plan to undertake specific work to assess the actions the Council has taken to address the weaknesses previously reported. The report set out the weaknesses and the work that the external auditors expect to undertake in response.

The report also included links to relevant national publications that the Audit Committee may find useful.

Those present were given the opportunity to ask questions and make comments and the following points were raised:

- Councillor Gartside referred to the Audit Certificate for 2023/24 and asked why this had not been issued.

Karen Murray explained that the National Audit Office had not yet confirmed whether they needed any more information in relation to this.

- Councillor Gartside also asked how the Audit fees were being monitored.

It was explained that The S.151 Officer and Karen Murray have regular discussion in relation to the fees and the work required to rebuild. It was and they were also monitored by the Public Sector Audit Appointments(PSSA).

- Councillor Moss stated that the audit fees had increased considerably in 2023/3034 and asked what the reason was for this.

It was explained that the PSSA had retendered the contract but other factors such as additional work required to meet a good audit, increase in financial pressures and fragility of the market.

- Councillor Hayes referred to the risk of significant weakness arrangements in relation to Children's Services and the fact that Ofsted had recently carried out another inspection which had recorded improvement and asked when this would be reflected.

Karen explained that the December report to the Committee would include progress made.

- Mr Webster referred the 24/25 Financial Statements Audit the 2024/2025 being disclaimed and asked whether there was a plan or timetable in place in relation to the 25/26 accounts.

It was explained that there was no detailed plan as yet and discussions would be needed to look at options available. Bury Council were not the only council in this position.

It was agreed:

That the contents of the report be noted

AU.102 INTERNAL AUDIT PROGRESS REPORT

The Senior Auditor presented a report outlining the work undertaken by Internal Audit from 1 July to 30 September 2025 which includes the progress to date to complete the 2024/25 audit plan and commence the 2025/26 audit plan.

The report gave an update on the Annual Audit Plan and the progress made on the Plan and also gave an update on completed audits and reports issued.

Those present were given the opportunity to ask questions:

- Councillor Berry referred to the Grants Register and the fact that this area had never been audited and asked what the reason was?

It was explained that a planning meeting had been held with Directors and ADs and the request for an audit of the register was made. It was agreed that this should be added to the plan as it had not been undertaken before.

- Councillor Berry referred to the Audit of Health and Adult Care Direct Payments and asked whether this work would be undertaken.

It was explained that this was a carry over from the previous years' plan and it would be brought forward for completion this year.

- Councillor Berry referred to the feedback following audits being low and asked what could be done to improve the level of responses received.

The Senior Auditor stated that the team would liaise with departments to see what could be done to improve the number of responses sent back following an audit.

- Councillor Moss asked how many Audits that had been carried forward from the previous year were still being worked on.

It was reported that 4 were still to be completed but they were either in draft or nearly completed so should be finalised by the next Audit Committee.

It was agreed:

That the contents of the report be noted

AU.103 EXCLUSION OF PRESS AND PUBLIC

It was agreed:

That the press and public be excluded from the meeting under Section 100 (A)(4), Schedule 12(A) of the Local Government Act 1972, for the reason that the following business involves the disclosure of exempt information as detailed against the item.

AU.104 INTERNAL AUDIT REPORT - INVESTIGATION

The Committee received a report to inform Members about the current status of investigations as at 30 September 2025.

It was agreed:

That the report be noted

AU.105 INTERNAL AUDIT REPORT - AUDIT REPORTS AND FOLLOW UPS

Members received a report that gave details of the reports which have been referenced in the Internal Audit Progress report which was delivered in the open session of the meeting.

It was agreed:

That the report be noted

COUNCILLOR E MOSS
Chair

(Note: The meeting started at 7.00 pm and ended at 9.30 pm)