Minutes of:	**AUDIT COMMITTEE**
Date of Meeting:	22 July 2026
Present:	Councillor J Hook (in the Chair) Councillors N Bayley, A Chaudhry, I Gartside, D Green, G Martin, I Rizvi, M Rubinstein and M Smith
Also in attendance:	Jacqui Dennis – Director of Legal & Democratic Svs Louise Kirkman – Risk Manager Neil Kissock – Director of Finance Simon Peet – Chief Accountant Osama Rathore – Forvis Mazars Judith Smith - Senior Auditor Kate Waterhouse – Executive Director, Strategy and Transformation Chris Woodhouse – Strategic Partnerships Manager
Public Attendance:	No members of the public were present at the meeting.

Apologies for Absence: Councillor D Hill, Thomas and Webster

AU.143 APOLOGIES FOR ABSENCE

Apologies for absence are recorded above.

AU.144 DECLARATIONS OF INTEREST

There were no declarations of interest made at the meeting.

AU.145 MINUTES OF THE LAST MEETING

It was agreed:

That the Minutes of the last meeting held on 14 April be approved as a correct record and signed by the Chair.

AU.146 MATTERS ARISING

There were no matters arising.

AU.147 CORPORATE RISK REGISTER

The Risk Manager presented a report providing an updated position as at 19th June 2026 with regards to an overview of risks identified and assessed on the Council's Corporate Risk Register.

These risks have been considered by the Executive Team as those with the potential to disrupt the Council's strategic objectives and service delivery.

The Register was presented within Appendix A, which reflects material changes to risk narrative or amendments to risk scores only.

The full Register is presented annually.

There were a total of 23 risks present on the Corporate Risk Register:

16 risks are currently rated as Significant (risk score 15-25)
7 risks are currently rated as High (risk score 8-12)

Of the 23 risks:

0 have increased in score
2 have decreased in score
21 have remained static
5 contain a material change, presented within the Corporate Risk Register in Appendix A.

The Executive Director (Strategy and Transformation) and the Strategic Partnership Manager attended to update the committee on CR.40 – Community Tensions and Global Conflict, presented within the Report at Appendix C.

Members of the Committee were given the opportunity to ask questions and the following points were raised:-

- Councillor Gartside asked that following the move to a severe terrorism threat level, does the static score of 16 remain credible.

It was explained that the local risk level wasn't tied in with the national risk level and that national levels can increase and decrease without affected the level locally. It was stated the risk being at 16 locally was appropriate.

- Councillor Rubinstein asked for confirmation on what the risk was and it was explained that it was the impact on local cohesion based on global affairs which could include an act of terrorism. Councillor Rubinstein asked how local cohesion was measured.

It was explained that there was no one single measure. The Council had continuous engagement with partners, stakeholders, communities themselves and understanding what information was provide to police colleagues both local policing and counter terrorism and a combination of activity with community safety partners which helps to understand the sense of feelings within communities, the level of hate crime reporting, direct disorder on the streets.

- Councillor Bayley referred to the threat level and asked how this information was shared with partners and the wider public.

It was reported that the national threat level was set by the Joint Terrorism Analysis Centre (JTAC), the UK's independent authority for terrorism assessment and shared locally by multi-agency partners who understand their communities, including local authorities, police, health, and education sectors.

If there are any changes to the national threat level, local faith organisations will be advised to ensure that they are made aware of the change and how this affects them but without causing any fear.

- Councillor Chaudhry referred to the risk relating to SEN & Disability having decreased and asked how this was assessed.

The Risk Manager explained how the risks were evaluated by calculating the likelihood and impact where both are rated from 1 – 5 and multiplied. It was explained that the risk had decreased due to a reduction in either the likelihood or impact.

- Councillor Green asked what was being done to strengthen communication locally particularly in relation to misinformation. There had been misinformation shared on social media recently relating to rumours about a specific person being in the town when this was not the case. It had taken a couple of days before it had been addressed.

The Executive Director (Strategy and Transformation) explained that there is a Communications Network within GMCA which is looking at misinformation and is in the process of developing a toolkit that all GM local authorities can use. This will include a protocol that will be followed.

It was also noted that determining when intervention is required, and which agency should take the lead, can often be challenging. The GM Communications Network will help address these challenges by bringing together heads of communications from councils and partner organisations across Greater Manchester, enabling coordinated discussions on appropriate responses and clarifying responsibility for action.

It was also explained that GMP is reviewing the powers available to tackle those responsible for spreading misinformation and is considering what enforcement options and other actions may be available to address the issue.

Monitoring of social media was undertaken and, where necessary, it was requested that the comments be moderated to help manage misinformation and ensure discussions remained appropriate.

- Councillor Mike Smith referred to twelve of the twenty-four risks belonging to the Corporate Core being significant or high and asked why this was and what was being done to address it.

It was explained that the Corporate Risk Register looks at things that will affect the entire organisation but will be co ordinated from the Corporate Core although not solely responsible for. Each risk will be managed collectively.

- Councillor Rubinstein asked how the unknown, unknown risks can be addressed. How are risks identified, is there anything that is done to identify the things that we don’t know about.

Horizon scanning is carried out but there may be risks that can only be dealt with when they happen. Lessons are learnt and mitigations are in place.

It was also explained that risks are underpinned by directorates and there are departmental risk registers in place which go through robust process of challenge.

- Councillor Rubinstein asked whether the Audit Committee should be looking at the departmental risks.

It was explained that it was not the role of the Audit Committee to audit risks, it was the role of the Audit Committee to check and be assured that there was a robust system in place to identify risks and the direction of travel of the risk register.

- Councillor Rizvi referred to some risks having reached their target level but remained on the register and asked why this was.

It was explained that some risks could fluctuate so it was important to have corporate oversight on the risks that have reached their target score. This offers assurance that the risks are continuing to be managed. If risks are no longer appropriate, they can be de-escalated onto the departmental risk register.

It was agreed:

1. That the report be noted.

2. That the information provided in relation to CR.40 be noted and officer be thanked for their attendance.

AU.148 DRAFT STATEMENT OF ACCOUNTS 2025/2026 & DRAFT AGS

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 2025/26 Statement of Accounts were signed by the Director of Finance (S151 Officer) on 30 June 2026 by the deadline and published on the Councils website. However, the Annual Governance Statement was not available by the 30 June 2026 deadline, therefore the Council has been unable to commence the 30-working day period for the Exercise of Public Rights and a delay notice was published on the Council website.

The council had re-published the Draft 2025/26 Statement of Accounts and the Draft 2025/26 Annual Governance Statement on 15 July 2026 to commence the 30-working day period for the Exercise of Public Rights from Thursday 16 July 2026 and this will end on Wednesday 26 August 2026.

The Accounts and Audit (Amendment) Regulations 2024 came into force on the 30 September 2024, this legislated the statutory backstop dates, including the 2025/26 Statement of Accounts of 31 January 2027. 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 2025/26 Statement of Accounts (Appendix 1) and Draft 2025/26 Annual Governance Statement (Appendix 2).

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

- Councillor Gartside referred to the overspend and savings that hadn't been delivered for this financial year and asked if there was a timetable of action for each.

The Director of Finance explained that nothing had been written off and it was assumed that they would be delivered in the current financial year.

The Finance Board meets on a monthly basis and progress will be reported to the Cabinet in September.

- Councillor Martin asked at what level would a S.114 notice become a risk for the Council?

It was explained that the February budget report set out the requirement to undertake a number of service reviews to identify savings proposals to address the gap. All reviews have been completed and are being worked through and will be reported to November Cabinet.

It was also explained that there is no specific threshold at which a Section 114 Notice must be issued. Rather, it is a matter of professional judgement for the Director of Finance, taking into account factors such as the size of the projected budget gap, the level of available reserves, and the degree of confidence that the financial position can be improved and the gap reduced in future years.

- Councillor Green stated that many authorities across the country were in the same position as Bury in relation to funding due to demand for services.

The Monitoring Officer presented the Draft Annual Governance Statement (AGS), covering the period from March 2025 to March 2026.

The Statement outlined the Council's governance framework and explained how it discharges its responsibilities while maintaining accountability.

The Annual Governance Statement focuses on the effectiveness of internal controls and describes the arrangements in place to ensure good governance across all areas of the Council's activities. It reflected the findings of the Internal

Audit Opinion and acknowledged that, while further improvements are still required, progress has been made and a number of improvements have now been embedded within the Council's processes and practices.

It was also explained that the Governance and Assurance Boards meet on a monthly basis and a Members' Assurance Board receive highlight reports in relation to their work.

- Councillor Green referred to the Let's Do It Strategy, noting that it was originally due to run until 2030. She asked whether any plans were being considered for the period beyond 2030 and whether the ambitions set out within the strategy were on track to be achieved.

In response, it was explained that the Let's Do It Strategy is owned collectively by the Council and its partners and key stakeholders. Progress against the strategy is monitored through Team Bury, which undertakes regular reviews to assess delivery and ensure objectives remain on track. Where areas are identified as not progressing as intended, Team Bury has the ability to challenge the approach, review priorities and, where necessary, reset elements of the plan to support its successful delivery.

- Councillor Green also asked whether succession planning was carried out in relation to staff as this was fundamental.

It was explained that each service has a workforce strategy plan which is embedded as part of the annual business plans across each service. Each plan looks at staffing across each team and what each team needs to do to make sure it is effective.

It was agreed:

That the Unaudited Draft 2025/26 Statement of Accounts and Draft 2025/26 Annual Governance Statement be noted.

AU.149 EXTERNAL AUDIT PROGRESS REPORT

Osama Rathore from Mazars Forvis presented the External Audit Progress Report.

It was explained that the External Auditors were responsible for auditing the financial statements of the Council each year and to satisfy themselves that the Council's Value for Money arrangements are in place and the effective use of resources.

During 2019/20 and 2020/21 a large number of external audits were delayed nationally. This impacted the ability of auditors to complete the audit for the year ending 31 March 2022 and subsequent year's audits. A significant backlog of unaudited accounts built up as a result.

It was explained that for 2024/ 2025 the financial statements were delayed by 4 months to November 2025 which limited the ability of the External Auditors to complete their audit.

In 2024 legislation was enacted to put in place 'backstop dates' by when local authorities must publish their audited accounts for all years up to 31 March 2028.

Where external auditors were unable to complete their audit by the backstop date for a financial year, the auditor would issue a 'Disclaimer of Opinion' providing no assurance on the financial statements. The backstop dates were set out in the report.

It was also explained that the External Auditors undertook Value for Money work each year where recommendations were issues in all 3 categories.
This had led a statutory recommendation in December 2024 and the auditors annual report issued in February 2026 assessed the actions that the Council had taken against the recommendations. The External Auditors will assess progress against those recommendations as part of the work on the 2026 Value for Money work.

It was explained that it would take several years to build back to get to a 'clean' opinion and in Bury's case it would be more complex. The Audit for the current year, 2025/2026 primary focus would be on rebuilding assurance to get back to a clean opinion and carry out the audit work.

Members were given the opportunity to ask questions and the following were raised:

- Councillor Rubinstein referred to the discovery of RAAC and asked if this was the reason for the issues in 2021/2022.

It was advised that this was one of the issues and that a response was delayed due to identifying the issue of RAAC across the council buildings.
It was asked that a response be provided but was delayed.

- Councillor Rubinstein asked how Bury compared with other Councils and it was explained that it was not uncommon to have three or four years of disclaimed opinion. Bury had more complex issues.

Neil explained that it was a number of years where the Council hadn't had audited statement of accounts. To complete the accounts in detail to provide assurance would take a long time. The External Auditors had also struggled to have capacity to undertake the audit work required. Neil stated that the Ministry of Housing, Communities and Local Government will probably be asked to review as to whether there is a way to accelerate the work required.

- Councillor Rubinstein also referred to the consultants that had valued Manchester Airport had valued the airport incorrectly which had also contributed to the delay.

- Councillor Gartside referred to the identified failings that had been highlighted in December 2024 and asked what evidence would be required to satisfactorily address these.

It was explained that there had been concerns with staff turnover in the finance department and resourcing issues. The External Auditors would carry out an assessment of the arrangements that were in place for the Value for Money Work.

It was explained that a report of February 2026 was received by the Audit Committee which gave an update on the activity and delivery against the improvement action plan and provided assurance of delivery and progress so far against the improvement plan. The improvement plan had been developed in response to the statutory recommendation and had been monitored through the Audit Committee and Cabinet and Council. In addition, the report proposed robust new arrangements for governance and monitoring of delivery going forward which aligned with Corporate Performance reporting.

The Director of Finance explained that the VFM work carried out by the External Auditors since 2024 had recognised a number of improvements; Financial Sustainability, RAAC has been confirmed in Bury Market only and none of the other estates buildings, improvements in Children's Services was with the external assessors from Ofsted. It was also stated that the previous External Auditor had referenced required culture change across the organisation which was ongoing and would perform part of the work of the VFM work going forward.

- Councillor Hook asked whether a schedule of works had been established to address the two actions identified by the external auditors that are required to complete this year's audit, and noted that the audit opinion would be disclaimed. She also sought assurance that there is a clear plan for moving from a disclaimed opinion this year to a qualified opinion next year, including an understanding of any actions, requirements, or areas of focus for the Council to ensure it is in a stronger position for the next audit cycle.

It was explained that the Council had produced its accounts on time this year, which was a positive development and demonstrated progress in the financial reporting process.

The programme of work required by the External Auditors will be determined following the completion of their risk assessment work. It was noted that Government guidance sets out two potential approaches for rebuilding audit assurance following a number of years of disclaimed audit opinions: 'Proof in Total' and 'Historic Testing'. The outcome of the auditors' risk assessment will determine which approach is most appropriate for Bury, after which the agreed methodology can be implemented.

It was further explained that the Proof in Total approach is generally less resource-intensive and may enable assurance to be rebuilt more quickly. However, if this approach is not considered sufficient, the auditors may require Historic Testing, which involves reviewing prior years and is likely to take several years to complete.

It was agreed:

That the report be noted

AU.150 INTERNAL AUDIT ANNUAL REPORT 2025 -2026

The Senior Auditor presented the Internal Audit Annual Report 2025 – 2026 which summarised the results of Internal Audit work during 2025/2026 and as required by The Accounts and Audit Regulations 2015, gives an overall opinion of the Authority's Control environment.

It was reported that a significant focus of the Audit Committee's work during the year was its oversight of the Council Improvement Plan, which was developed in response to a statutory recommendation from the external auditor. Regular progress updates were received into the Committee, and delivery was scrutinised across key themes including financial resilience, finance capacity and transformation, governance and compliance, leadership arrangements and estate management. At the February 2026 meeting, the Committee noted that the majority of improvement actions had been achieved, or were on track, and endorsed the proposal to align future improvement monitoring with established corporate planning and performance arrangements, allowing the Committee to refocus in 2026/27 on broader audit and risk activity.

While it is considered too early at this stage to provide a moderate assurance conclusion, the Council has demonstrated sustained improvement and a strong commitment to implementing agreed actions. Consequently, the Head of Audits conclusion is that it remains one of a limited assurance, but with encouraging and measurable progress noted throughout the period. Importantly, the risks facing the Authority are being actively addressed, and there is positive momentum in the implementation of recommendations.

Member of the Committee were given the opportunity to ask questions and the following points were raised:

- Councillor Gartside referred to the number of limited assurance reports across the Council and asked if there were any common route causes such as system design, culture or enforcement.

It was explained that the audits undertaken were very specific audits, there were no thematics that had come through. When compiling the conclusion, the auditors do review what was reported the previous year, in 2024/2025 annual opinion reported there were 165 recommendations compared to 274 this year. These are recommendations to improve controls.

It was agreed:

That the contents of the report be noted.

AU.151 INTERNAL AUDIT STRATEGY FRAMEWORK AND PERFORMANCE MEASURES & TARGETS FOR 2026/27

The Senior Auditor presented a report, it was explained that the Internal Audit Strategy and Performance Measures & Targets for 2025/26 were presented and approved at the 8 April 2025 Audit Committee Meeting following an external peer review against the Public Sector Internal Audit Standards (PSIAS) that had been undertaken in October 2024.

A review of the Strategy is required to be undertaken on an annual basis and this was presented to the Committee.

It was explained that there were no major changes to the strategy framework and strategy.

Members were given the opportunity to ask questions and the following points were raised:

- Councillor Green referred to the statement under the heading supporting initiatives which stated 'Develop our understanding and capabilities in the use of artificial intelligence' and asked what this actually meant in relation to the Council.

It was explained that this reference related specifically to the Internal Audit team. The team uses artificial intelligence to support aspects of its work, including research, developing understanding of particular issues and assisting with the drafting of reports. However, it was emphasised that AI is used as a supporting tool rather than as a replacement for auditors. The limitations of AI are recognised, including the potential for inaccuracies, and therefore its use is subject to appropriate professional judgement and oversight.

The Director of Finance stated that this would not be used to reduce the size of the team but to look at becoming more efficient.

- Councillor Martin referred to a report that was due around the use of AI across the Council and asked if there was anything available in the interim.

The Director of Finance stated that he was not aware of specifics in relation to this piece of work but would take the question away and provide an answer outside of the Committee.

- Councillor Gartside referred to the customer feedback results set out in the report, which showed a satisfaction rate of 100%, but noted that only one of the eight surveys issued had been returned. Councillor Gartside queried whether a minimum response rate threshold should be applied when reporting customer feedback results, to ensure that the findings were meaningful and representative.

In response, it was acknowledged that a single survey response provides only a limited evidence base from which to draw conclusions about overall customer satisfaction. Whilst the feedback received was positive, officers recognised the importance of achieving higher response rates to improve the reliability and representativeness of the results. It was explained that consideration could be given to the way feedback is reported in future, including providing information on both the satisfaction score and the response rate, and exploring whether a minimum response threshold would be appropriate before percentage satisfaction figures are highlighted.

- Councillor Martin asked whether work was carried out in relation to internal HR documents.

It was explained that it would be specific areas that were looked rather that a general overview. An audit was in the process of being completed currently which was reviewing the employee leavers process.

Councillor Martin explained that he had been undertaking a review of available documents and there were some gaps that he felt should be addressed but wasn't sure where to raise this.

It was agreed:

1. That the report be noted .
2. That the Internal Audit QAIP & Strategy Framework for 2026/27 be approved.
3. That the Internal Audit Strategy for 2026/27 be approved
4 That the Performance Measures and Targets for 2026/27 be approved.

AU.152 GLOBAL INTERNAL AUDIT STANDARDS SELF-ASSESSMENT AND DEVELOPMENT PLAN (QAIP) 2026/27

The Senior Auditor presented a report explaining that as per the Internal audit Strategy Framework, Internal Audit are required to have an external review against the Global Internal Audit Standards (GIAS) every five years and to undertake a self-assessment on an annual basis and produce a Quality Assurance and Improvement Programme (QAIP) or Development Plan where opportunities for improvement have been identified.

An external assessment was last undertaken in November 2024 against the previous Public Sector Internal Audit Standards (PSIAS), and a report and development plan was presented to the Audit Committee at the April 2025 meeting. Our next external assessment we be required to be undertaken during the 2029/30 financial year.

The annual Self-Assessment had been undertaken using the IIA's toolkit against the new GIAS and Internal Audit Code of Practice. The results were contained within Appendices C & D of the report.

Following on from completing the Self-Assessment, a new Internal Audit Development Plan has been produced (Appendix E) which will ensure, on implementation of the recommendations, compliance against the standards.

It was agreed:

1. That the report be noted.

2. That the Internal Audit Development Plan 2026/2027 be approved.

AU.153 INTERNAL AUDIT PROGRESS REPORT

The Senior Internal Auditor presented a report outlining the work undertaken by Internal Audit from 1 April to 30 June 2026 which includes the progress to date to complete the 2025/26 audit plan and commence the 2026/27 audit plan. The report enables Members to monitor the work of the Internal Audit service, raise any issues for further consideration and provide an opportunity to request further information or to suggest areas for additional or follow up work.

The conclusions drawn from the report were that work on completing the 2025/26 plan is progressing and work on the 2026/27 plan has commenced, with six ongoing, three reports at draft stage and four audits have been allocated to auditors.

Twelve final audit reports were issues during the quarter 1 period.

Five first follow up exercises and five second follow up exercises have been completed between the period 1 April to 30 June 2026.

Those present were given the opportunity to as questions and the following points were raised:

- Councillor Green referred to one of the audits currently taking place being taxi licensing and she was aware of work that was ongoing nationally in relation to problems with different local authorities having g their own processes and asked if this was part of that work particularly in relation to safeguarding.

It was explained that the audit was added to the audit plan because of the Casey Report, the scope would take in elements from the recommendations from the Casey Report.

It was agreed:

That the report be noted.

AU.154 FINANCIAL PROCEDURE RULES AND SCHEME OF DELEGATION

The Director of Finance presented a report setting out the Financial Procedure Rules and the Scheme of Delegation – Financial Limits for consideration by the Committee. Attached to the rules are detailed guidance notes to support budget holders in performing their financial duties.

It was explained that it had been a number of years since the financial regulations were updated, as part of the Financial Improvement Plan it was identified that several of the Council’s Financial Procedure Rules required reviewing, refreshing and updating including the financial limits.
The updated Financial Procedure Rules and Scheme of Delegation were included within the report.

- Councillor Martin referred to in year budget adjustments to school variances and asked why this happened and what controls were in place.

It was explained that in year virements were sometimes used to mask overspends and this was not something that was encouraged. This would make sure that there was a clear controlled approval mechanism in place.

Councillor Martin asked whether he could receive further information in relation to this and the Director of Finance agreed that he would share some information with Councillor Martin.

It was agreed:

1. That the Audit Committee approve the Financial Procedure Rules and Scheme of Delegation.

2. That the Audit Committee recommend to Full Council the adoption of the Financial Procedure Rules and Scheme of Delegation.

AU.155 CONSTITUTION UPDATE - DELEGATED OFFICER POWERS **FOR INFORMATION **

The Council's constitution was reviewed and updated during the municipal year 2020/21. Members agreed that the Constitution should be reviewed annually to ensure that the changes were fit for purpose, the last annual update report was presented at the 20 May 2026 Council meeting. To ensure the constitution continues to operate as a living document Council is requested to adopt the following changes.

The report set out the following updates and/or additions
1. Updated – Part 7 - cabinet portfolios, membership of committees and the council's management structure (Appendix A, B& C)
2. Updated – Part 3 Officer functions - Corporate Core scheme of delegation (Appendix D)

The updates/additions had been agreed at the last meeting of Council on 15 July 2026.

It was agreed:

That the adoption of the changes set out be noted.

AU.156 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.157 INTERNAL AUDIT - AUDIT REPORTS AND FOLLOW UPS/ SPECIAL INVESTIGATIONS REPORT

A confidential report was submitted for information and the Committee were given the opportunity to make comments and ask questions.

It was agreed:

That the report and information received at the meeting be noted

AU.158 COUNTER FRAUD PROGRESS REPORT

A confidential report was submitted and the Committee were given the opportunity to make comments and ask questions.

It was agreed:

That the report and information received at the meeting be noted

COUNCILLOR J HOOK
Chair

(Note: The meeting started at 7.00 pm and ended at 9.00 pm)