

Minutes of: **AUDIT COMMITTEE**

Date of Meeting: 17 February 2026

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

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

Also in attendance: Neil Kissock, Director of Finance, S.151 Officer
 Lynne Ridsdale, Chief Executive
 Karen Murray, Forvis Mazars
 Osama Rathore, Forvis Mazars
 Judith Smith, Internal Audit
 Adrian Blackshaw, Internal Audit

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

Apologies for Absence:

AU.117 APOLOGIES FOR ABSENCE

There were no apologies for absence.

AU.118 DECLARATIONS OF INTEREST

There were no declarations of interest made at the meeting.

AU.119 MINUTES OF THE LAST MEETING

It was agreed:

That the Minutes of the Last Meeting held on 8 December 2025 be approved as a correct record and signed by the Chair.

AU.120 MATTERS ARISING

- Councillor Moss referred to Minute AU.111 – Risk Register and the question raised by Councillor Bernstein in relation to Member safety being included on the risk register and asked if this had been actioned.

The S.151 Officer explained that the contents of the Corporate Risk Register was currently being reviewed and updated as part of the normal process and if required would be updated to reflect the concerns raised.

- Councillor Gartside referred to the question that he had raised in relation to a shortage of social workers and the asked where the recruitment process was up to.

The S.151 Officer reported that HR were in the process of recruiting to the positions.

- Councillor Moss referred to the question that Councillor Rubinstein had asked regarding pot holes and highways and where these were in the risk register.

The S.151 Officer confirmed that this sat within the relevant Departmental Risk Register which fed into the Corporate Risk Register.

AU.121 COUNCIL IMPROVEMENT PLAN

The Section 151 Officer presented a report setting out the Progress Update from the Council to the Statutory Recommendation received from the External Auditor under schedule 7 of the Local Audit and Accountability Act 2014.

The Leader, Councillor O'Brien and the Cabinet Member, Finance and Transformation explained that the report provides the fourth update on activity and delivery against this action plan with the previous updates being brought in April, July and October 2025. The report highlights 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.

There continues to be progress made within expected target dates across some of the plan. The plan in Appendix 1 was split into the following areas:

- a. Financial Resilience (including financial strategy)
- b. Finance Capacity and Transformation (actions in relation to the finance restructure)
- c. Governance and Compliance including Estate Management and Leadership and Governance Arrangements:

A recent summary of some Improvement Work Plan activity (in addition to above) by each Board was set out within the report. It was reported that as the first year of the work of the Boards comes to end the majority of recovery actions are complete and the activity set out in the report in the following has become business as usual activity

- Commercial
- Finance
- Governance and Assurance
- Performance, Delivery and Transformation
- Property and Estates
- Regeneration

The progress made in the Improvement Action Plan was set out at appendix 1 of the report and it was explained that there continues to be progress made within the expected target date.

Priorities for the year ahead and governance going forward were set out. A draft plan on a page has been developed alongside the draft Corporate Plan on

page (which is currently subject to final approval and sign off). It is proposed to align the reporting process of the Improvement Plan alongside the current established process of the Corporate Plan, where in-quarter issues would be monitored through the Performance, Delivery and Transformation Board and Governance and Assurance Board where required additionally. A full quarterly update on delivery and performance of both the Improvement Plan and Corporate Plan would be published at Cabinet using the current governance and reporting methods for the Corporate Plan. In development of the Improvement Plan for 2026/27, the draft delivery priorities have been proposed across 5 boards:

Finance Board:

Property and Estates Board:

Performance, Delivery and Transformation Board:

Governance and Assurance Board:

Commercial Board:

It is proposed that Regeneration Board will be monitored through the usual Corporate Planning process as through the year this has been seen as a duplication of assurance. The activities for that Board will be the key regeneration projects set out in the Corporate Plan

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

- Councillor Bernstein referred to the time being given to the work from the Leader, Cabinet Members, Chief Executive and Chief Officers and asked whether the time given would now be reducing or would they still be as heavily involved in the work?

It was explained that the Leader, Chief Executive and Councillor Thorpe were committed to making sure that the work continued at the appropriate level. The work would continue and the six Governing Boards and Members Assurance Board will continue to meet to give a holistic view. It was stated that the commitment of time had shifted rather than decreased.

Impact had been made in 4 key areas which allowed focus to move to other areas such as Children's Services, Estates and Digital Transformation.

- Councillor Gartside referred to the business continuity plans and asked what the outstanding 4% was and asked if more information can be provided about the activity of the assurance boards and their achievements.

It was explained that the proposal would be that the Cabinet will receive improvement plan updates going forward.

With regard to the 4% it was explained that the information would be available for inclusion within the coming weeks.

- Mr Webster asked that as the improvement plan had been required following the Forvis Mazars report, should there be an updated plan based on the report that was being considered at this Meeting.

It was explained that the report being considered as part of the Statement of Accounts was a retrospective look and it would be expected that issues picked up would be discussed at the Members Assurance Group.

- Councillor Berry referred to the two new systems that were referenced in relation to the Finance Assurance Board and asked whether the systems had been tailor made and if there was confidence in the training provided to ensure that staff were competent.

The Director of Finance explained that the systems were not bespoke to Bury and that the expected implementation would be 8 weeks and all users would be trained.

- Councillor Berry asked whether the savings made would be seen.

It was explained that savings would be in relation to procurement and value for money and were also about outcomes for residents and getting better value for money for them.

A discussion was had in relation to the recommendation that a full quarterly update on delivery and performance of both the Improvement Plan and Corporate Plan would be published at Cabinet using the current governance and reporting methods for the Corporate Plan and therefore no further reports to the Audit Committee.

It was suggested that the proposed way forward would remove duplication and would give the Audit Committee the opportunity to resume deep dives of risks into other areas.

It was agreed:

1. That the Audit Committee Note the progress detailed in the action plan update.
2. That the proposal for future governance and monitoring of the improvement plan as outlined in the report be endorsed

AU.122 STATEMENT OF ACCOUNTS 2024/25

It was reported that in accordance with the Accounts and Audit Regulations 2015 (as amended) the 2024/25 Draft Unaudited Statement of Accounts were signed by the Director of Finance (S151 Officer) on 14 October 2025 and published on the Council's website as well as the Annual Governance Statement for the year on 15 October 2025. The 30-working day period for the Exercise of Public Rights commenced on 16 October 2025 and ended on 26 November 2025.

Forvis Mazars remains the Council's external auditors for the 2024/25 financial year up to 2028/29 based on their appointment by the PSAA.

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 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)

The Accounts and Audit (Amendment) Regulations 2024 require those charged with governance to approve the final audited accountability statements prior to publication. Therefore, Audit Committee are asked to approve the 2024/25 Statement of Accounts (Appendix 2) and Annual Governance Statement (Appendix 3) and for the Chair of the Audit Committee and the Director of Finance to sign the 2024/25 Statement of Accounts at the meeting and delegate authority to the Leader and Chief Executive to sign-off the 2024/25 Annual Governance Statement.

Karen Murray, Engagement Partner, Forvis Mazars presented the Audit Strategy Completion Report – year ended 31 March 2025

The purpose of the document is to summarise the audit and to explain how the statutory backstop arrangements introduced by the Accounts and Audit (Amendment) Regulations 2024, have affected the completion of the work and the reporting consequences.

It was explained that the external auditors consider two-way communication with the Council to be key to a successful audit and particularly important in the context of the backstop arrangements as it facilitates:

- reaching a mutual understanding of the scope of the audit and the responsibilities of each of the external auditors and the council;
- sharing information to assist the external auditors and the council to fulfil their respective responsibilities; and
- providing the council with constructive observations arising from the audit process even though this has been curtailed by the backstopped arrangements.

Karen explained that Forvis Mazars would usually report the outcome of their planning work, including the significant risks identified and their planned procedures, in the Audit Strategy Memorandum. The results of their audit, including significant matters identified would usually be reported to you in the Audit Completion Report.

As a result of the backstop arrangements, it has been determined that the most appropriate way to communicate each of the matters required under auditing standards, is in a single document, the Audit Strategy and Completion Report.

As it is a fundamental requirement that an auditor is, and is seen to be, independent of audited bodies, section 8 of the document summarises their considerations and conclusions on their independence as auditors.

It was stated that Forvis Mazars will continue to work closely with the Audit Committee and management to take the necessary steps to rebuild assurance over future accounting periods. And will report further details to the Committee on the rebuilding process in the coming months. In line with the guidance issued by the National Audit Office, as endorsed by the Financial Reporting Council, the External Auditors hope to return to a standard audit cycle where they are able to obtain sufficient, appropriate evidence in order to issue an unmodified audit opinion in as short a period as practicable.

The significant findings were set out in the report

The Value for Money arrangements were presented to the Committee. It was explained that this was the first audit year undertaking the value for money (VFM) work under the full 2024 Code of Audit Practice (the Code). The responsibility remains to be satisfied that the Council has proper arrangements in place, and to report in the auditor's report where they are not satisfied that arrangements are in place. Where a recommendation has been issued in relation to a significant weakness this indicates that the auditors are not satisfied that arrangements are in place. A commentary on the arrangements is provided in the Auditor's Annual Report.

The Code requires external auditors to structure their commentary to report under three specified criteria:

1. Financial sustainability – how the Council plans and manages its resources to ensure it can continue to deliver its services;
2. Governance – how the Council ensures that it makes informed decisions and properly manages its risks; and
3. Improving economy, efficiency and effectiveness – how the Council uses information about its costs and performance to improve the way it manages and delivers its services

Previously identified significant weaknesses and the progress made against those were set out in the report;

- Ofsted Inspection: Children's Services
- Weaknesses in Internal Control
- Financial Sustainability

The following questions were raised:

- Councillor Gartside referred to the opening balances set out within the Statement of Accounts and asked if the opening balances were accurate given the fact that the accounts had not been audited.

It was confirmed that the balances were accurate, and the Director of Finance provided assurance to this effect. The External Auditor also confirmed they were satisfied with the Director of Finance's statement.

- Councillor Berry referred to the external auditors requests for information not being complied with in the past and asked if the Council will be in a position to provide the information requested going forward.

The Director of Finance explained that with the roll out of the finance improvement programme, interim staff have, and will be replaced with permanent colleagues who will be working more closely with the external audit team to ensure that all the information required was provided.

- Councillor Moss noted that concerns had been raised across the Council regarding the level of support provided to the external auditors, highlighting inconsistency in the support offered.

It was explained that the Council aims to reach a consistently high standard of service across all areas within the next two to three years

- Councillor Hook asked whether a timetable had been developed to ensure that the Council does not return to the position of having accounts disclaimed.

It was reported that the current Audit Partner would be leaving the Bury team and that a new Partner would be appointed. Working alongside the External Audit Manager and their team, one of their first tasks would be to produce a project plan outlining the work required.

- Councillor Hook also asked what the required date of issue was for the 25/26 Statement of Accounts.

The Director of Finance reported that the required date was 31 January 2027 and then 31 November 2027 for the 26/27 accounts.

The Director of Finance stated that once the 25/26 accounts were issued Mazars will start their audit work and assess the requirements.

- Councillor Rubinstein asked if the accounts were delayed being issued.

It was confirmed that they were issued three months late due to delays associated with valuations.

- Councillor Rubinstein further queried whether work could have been progressed without the valuation information.

It was explained that the Section 151 Officer must certify the accounts as a true and fair record, which would not have been possible had the valuation information been excluded.

The draft accounts are required to be published to allow anyone the opportunity to review them and raise any concerns or questions that they may have with the auditor.

- Councillor Gartside asked whether the council would ever be able to receive an unmodified audit opinion.

It was stated that the earliest this could be achieved would be a minimum of three years.

- Ben Thomas, independent Member, referred to a statement in the report advising that the auditors had not received responses from management and those charged with governance on their inquiries in relation to fraud and compliance with laws and regulations and asked if this was still the case.

The Director of Finance confirmed by that all the information had now been provided.

- Mr Webster, Independent Member, highlighted concerns about the poor quality of the AGS, noting factual inaccuracies, incorrect links and inconsistent paragraph numbering. He asked whether these issues had been resolved.

Karen Murray confirmed that the updated version is now a fair reflection.

- Councillor Moss referred to the Dedicated Schools Grant that was referenced in the report and asked whether the recent announcement from the Government that a package of funding would be made available would have an effect on the deficit that was reported.

Karen Murray explained that the additional funding will not be sufficient to fully cover all deficits, and the Council must continue to reduce and manage the remaining shortfall.

- Councillor Moss noted that a sentence was incomplete in the section titled "*Our views on the actions taken to date*". He also queried whether the term "Director of Resources" in Appendix B should instead read "Director of Finance".
- Councillor Moss raised concerns regarding the wording of the statement from the Head of Fraud, Audit, Insurance and Risk on page 11 of the Statement of Accounts, which begins "some fundamental and significant recommendations." He noted that the same wording also appears in the AGS and suggested it could more accurately reflect the position.

The Director of Finance explained that the Audit Plan covers a broad range and confirmed he would take a look at the wording.

- Mr Thomas referred to the actuarial gains and losses and the challenge around the assumptions and asked whether there had been any outcome following the tri annual review.

It was reported that the outcome of the review had suggested a saving of 1.6m over the following three years.

It was agreed:

That the Audit Committee

1. Note the 2024/25 Management Representation Letter.
2. Note the 2024/25 External Audit Strategy and Completion Report.
3. Note the 2024/25 External Audit Value for Money (VFM) Report.
4. Approve the 2024/25 Statement of Accounts and Annual Governance Statement.

Delegate authority to the Director of Finance (S151 Officer) to sign the 2024/25 Management Representation Letter. 2.6 Delegate authority to the Chair of the Audit Committee and Director of Finance (S151 Officer) to sign-off the 2024/25 Statement of Accounts and Leader and Chief Executive to sign-off the 2024/25 Annual Governance Statement.

AU.123 INTERNAL AUDIT PROGRESS REPORT

The Senior Auditor presented a report outlining the work undertaken by Internal Audit from 1 October to 31 December 2025 which includes the progress to date to complete the 2024/25 audit plan and commence the 2025/26 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 are:

- Work on the 2024/25 plan is completed, and the 2025/26 plan has commenced, with 11 reviews ongoing, 1 report at draft stage and 4 audits allocated to auditors.
- 8 audit reports have been issued during the quarter 3 period.
- 5 first follow up exercises and 8 second follow up exercises have been completed between the period 1 October to 31 December 2025

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

- Mr Webster referred to the ICT planning meeting and asked whether this had now been arranged.

It was explained that the initial meetings had taken place and work would be commencing soon.

- Councillor Hayes referred to Beebot AI and asked what this company was.

The Senior Auditor reported that BeeBot AI are a company that Children and Young People are using to provide an IT solution. The Information Governance Team had approached Internal Audit for advice on a Data Protection Impact Assessment (DPIA) prior to the contract being signed.

- Councillor Berry referred to the grants register never having been audited and asked if there was a reason for this.

It was reported that there was no reason behind this. The work had commenced and was progressing and some issues have been highlighted.

- Councillor Moss asked a question relating to overspend on the Internal Audit work from the 2024/2025 plan and asked if there was a contingency for this.

It was stated that there was no contingency but underspends on other audits and the removal of some of the planned audits helped to offset.

- Councillor Moss stated that the schools had been extremely supportive in following up recommendations. The Committee had asked for an information sheet to be provided and shared with schools. He asked whether this had been completed.

It was confirmed that this had been done and a communication would be shared with all schools in relation to the audit work and process.

- Councillor Rahimov asked whether the 24/25 remaining audits were being completed as a rollover. It was confirmed that all outstanding 24/25 audits were now completed.

It was agreed:

1. That the changes and amendments to the 2025/26 audit plan be approved.
2. That the report and the work undertaken by Internal Audit be noted.

AU.124 TERMS OF REFERENCE

The Senior Internal Auditor presented a report setting out the updated Terms of Reference that would be presented for approval to Council on 25 February 2026.

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

- Councillor Berry referred to all meetings should be held in public and asked if a paragraph could be added to state that the meetings could also be recorded.

It was advised that a sentence be added in reference to the Public Participation section of the constitution.

Councillor Bernstein referred to the statement that decisions are to be taken by consensus and that this be updated to state that decisions are 'ideally' to be taken by consensus.

It was agreed:

That subject to the amendments raised being included, the Terms of reference be endorsed and forwarded to Council for approval and inclusion in the Council Constitution.

AU.125 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.126 INTERNAL AUDIT REPORTS & FOLLOW UPS

The Senior Auditor introduced the report which was provided for information only.

The report related to the reports highlighted in the Internal Audit Progress report which was delivered in the open session of the meeting.

Members were given the opportunity to seek clarification / challenge any parts of the report / audit reports which they have already received each month.

It was agreed

That the report be noted.

AU.127 INTERNAL AUDIT - INVESTIGATIONS

The Senior Auditor introduced the report which was provided for information only.

Members were given the opportunity to seek clarification / challenge any parts of the report

It was agreed

That the report be noted.

COUNCILLOR E MOSS
Chair

(Note: The meeting started at 7.00 pm and ended at 10.00 pm)