

ACCOUNTS AND AUDIT COMMITTEE

26 JUNE 2014

PRESENT

Councillor M. Whetton (in the Chair).

Councillors Mrs. L. Evans (Vice-Chairman), J. Baugh, C. Boyes, D. Butt and T. Ross.

Also Present

Councillor Cordingley.

In attendance

Director of Finance (Mr. I. Duncan),

Audit and Assurance Manager (Mr. M. Foster),

Head of Financial Management (Mr. I. Kershaw),

Finance Manager (Mr. D. Muggeridge),

Technical Finance Manager (Mr. G. Bentley),

Principal Audit and Assurance Officer Team Leader (Ms. H. Carnson),

Democratic Services Officer (Mr. I. Cockill).

Also in attendance: Mr. M. Waite, Grant Thornton UK LLP.

APOLOGIES

An apology for absence was received from Councillor B. Brotherton.

1. MEMBERSHIP OF THE COMMITTEE 2014/15, INCLUDING CHAIRMAN, VICE-CHAIRMAN AND OPPOSITION SPOKESPERSON

Referring to the membership of the Committee for the new Municipal Year, the Chairman welcomed back Councillor Butt as a returning Committee Member.

RESOLVED: That the Membership of the Committee for the 2014/15 Municipal Year, as appointed at the Annual Meeting of the Council held on 11 June 2014 and set out below, be noted:

Councillors Baugh, Boyes, Brotherton (Opposition Spokesperson), Butt, Mrs. Evans (Vice-Chairman), Ross and Whetton (Chairman).

2. TERMS OF REFERENCE

RESOLVED: That the Committee's Terms of Reference, as agreed at the Annual Meeting of the Council held on 11 June 2014, be noted.

3. MINUTES

RESOLVED: That the Minutes of the meeting held on 25 March 2014, be approved as a correct record and signed by the Chairman.

4. PRE-AUDITED ACCOUNTS 2014

The Director of Finance provided an oral update on the preparation of the pre-audited Statement of Accounts for the year ended 31 March 2014.

The Executive Member for Finance and the Director of Finance also submitted the 2013/14 Revenue Budget Monitoring Outturn report detailing the main areas of overall budget variance, the General Reserve and Council Tax Collection Fund balances and commitments. The Director of Finance reported that the Adult Social Care figures had been amended to correct for unsound forecast assumptions and that the matter was subject of an investigation which upon completion would be brought before the Committee.

In response to specific questions regarding the Adult Social Care Budget overspend, the Director of Finance indicated that since there was likelihood that exempt information would be disclosed, it would be advisable to consider the matter following the exclusion of the press and public (Minute No. 13 refers).

Also before the Committee was the Capital Investment Programme Outturn report summarising the outturn position for 2013/14 and the consequential impact on the Medium Term Financial Plan 2014/17. Members' questions concerned the town centre loan scheme, 'Bringing Town Centres Alive; the Altair Development, Altrincham; and the purchase of additional burial land at Dunham Cemetery. The Director of Finance responded and would provide additional clarification direct to the Members concerned.

RESOLVED –

- (1) That the Committee notes that the Director of Finance, the Council's 'Responsible Financial Officer' has authority to approve the Pre-Audited Accounts 2014 by the 30 June 2014 deadline.
- (2) That the Committee's consideration of the un-audited Statutory Financial Accounts for the Year 2013/14 and the 2013/14 Revenue Budget Monitoring Outturn report be deferred to a Special Meeting of the Accounts and Audit Committee to be arranged provisionally late July 2014.
- (2) That the Capital Investment Programme 2013/14 Outturn being presented to the Executive on 28 July 2014, be noted.

5. TREASURY MANAGEMENT ANNUAL PERFORMANCE 2013/14 REPORT

The Executive Member for Finance and the Director of Finance submitted a joint report reviewing treasury activities for the past financial year, in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice as adopted by the Council.

RESOLVED: That the Committee advises the Council:

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- (i) of the Treasury Management activities undertaken in 2013/14;
- (ii) that no prudential limits were breached during 2013/14; and
- (iii) that both the CIPFA Code of Practice on Treasury Management and CIPFA Prudential Code for Capital Finance were fully complied with.

6. INSURANCE PERFORMANCE REPORT 2013/14

The Director of Finance submitted a report concerning the Council's non-schools insurance activities for 2013/14 which updated the Committee on performance in respect of the major classes of insurance, the current budget position and insurance tender and initiatives.

RESOLVED: That the report be noted.

7. GRANT THORNTON: AUDIT COMMITTEE UPDATE

Members received a report from Grant Thornton UK LLP on the progress at June 2014, in delivering its responsibilities as the Authority's external auditor.

The report also highlighted key emerging national issues and developments and a number of challenge questions in respect of the emerging issues.

In relation to fraud prevention, the Committee expressed concern over drivers illegally using the Blue Badge scheme and identified this as an area for review.

RESOLVED: That the Committee notes the report and recommends that the Council investigates measures to tackle Blue Badge fraud.

8. ANNUAL INTERNAL AUDIT REPORT 2013/14

The Audit and Assurance Manager submitted a report providing an opinion on the standard of internal controls during 2013/14 and a summary of the work of the Audit and Assurance Service during the period.

RESOLVED: That the report be noted.

9. 2013/14 DRAFT ANNUAL GOVERNANCE STATEMENT

The Audit and Assurance Manager submitted a report setting out the Draft 2013/14 Annual Governance Statement (AGS) following its review by the Corporate Management Team (CMT) and a sub-group of the Accounts and Audit Committee, namely, the Chairman (Councillor Whetton) and Opposition Spokesperson (Councillor Brotherton).

The report advised that the AGS would take into account any feedback or further developments through June to September 2014. The final version, signed off by the Leader of the Council and Chief Executive, would be presented for approval by the Committee in September 2014 to accompany the Council's Accounts.

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RESOLVED: That the Committee notes that the Sub-Group of the Accounts and Audit Committee, given delegated responsibility to review the robustness of the 2013/14 Annual Governance Statement:

- (a) is satisfied with the robustness of the process followed in generating the Statement;
- (b) is satisfied that the Statement itself is robust; and
- (c) has agreed the amendments to the Corporate Governance Code.

10. ACCOUNTS AND AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL 2013/14

The Chairman and Vice-Chairman of the Committee presented a report setting out the proposed Annual Report of the Accounts and Audit Committee for 2013/14 for submission to the Council.

RESOLVED: That the 2013/14 Annual Report of the Accounts and Audit Committee be noted and presented to the Council for information.

11. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2014/15

The Audit and Assurance Manager submitted a report setting out the Committee's proposed work plan for the 2014/15 Municipal Year, outlining the areas to be considered by the Committee at each of its meetings over the period of the year. The work plan would help to ensure that the Committee meets its responsibilities under its Terms of Reference and maintain focus on key issues and priorities as defined by the Committee.

Noting that the work programme was flexible, Members suggested possible areas to cover with the understanding that items could be added or rescheduled to ensure that the Committee best meets its responsibilities.

RESOLVED –

- (1) That, with the inclusion of External Audit's Audit Plan at the Committee meeting on 24 March 2015, the 2014/15 work programme be approved.
- (2) That consideration be given to the following areas of work suggested by Members:
 - Reshaping Trafford and new delivery models which include the joint venture/trust concept;
 - Welfare Reform;
 - Council Reserves;
 - Salford, Trafford and Rochdale (STaR) Joint Committee arrangements;

and that any further suggestions be forwarded to the Audit and Assurance Manager.

12. EXCLUSION RESOLUTION

RESOLVED: That the public be excluded from this meeting during consideration of the remaining item of business because of the likelihood of disclosure of “exempt information” which falls within Paragraph 3 of Schedule 12A of the Local Government Act 1972, as amended.

(Note: The Head of Financial Management, Finance Manager, Technical Finance Manager and Principal Audit and Assurance Officer Team Leader left the meeting.)

13. PRE-AUDITED ACCOUNTS 2014 - CONSIDERATION OF EXEMPT INFORMATION

Further to Minute 4 considered earlier, the Director of Finance provided an oral update on the overspend in the Adult Social Care Budget advising when discrepancies were identified; on action taken and investigations undertaken; and management, elected member and external involvement. The Director of Finance also responded to Members questions on the matter and the Committee was grateful for clarification in this respect.

RESOLVED: That the Committee notes that the matter is subject to investigation and upon its outcome a report will be presented to a Special Meeting of the Accounts and Audit Committee.

The meeting commenced at 6.30 p.m. and finished at 8.34 p.m.