

## **ACCOUNTS AND AUDIT COMMITTEE**

**28 SEPTEMBER 2021**

### **PRESENT**

Councillor B. Brotherton (in the Chair).

Councillors J. Lloyd (Vice-Chair), C. Boyes, G. Carter, D. Jerrome, A. Mitchell, R. Thompson and Mrs J. Platt (Co-Opted Member).

#### In attendance

Graeme Bentley	Director of Finance and Systems
Mark Foster	Audit and Assurance Manager
Alexander Murray	Governance Officer

#### Also in attendance

Ms K. Murray (Mazars)

### **APOLOGIES**

Apologies for absence were received from Councillors M. Cordingley and W. Hassan.

### **16. QUESTIONS FROM MEMBERS OF THE PUBLIC**

No questions were received.

### **17. DECLARATIONS OF INTEREST**

No declarations were made.

### **18. MINUTES**

RESOLVED: That the minutes of the meeting held 27 July 2021 be agreed as an accurate record and signed by the Chair.

### **19. EXTERNAL AUDIT PROGRESS REPORT**

Ms. Karen Murray was in attendance on behalf of the External Auditor (Mazars) to update the Committee from the meeting in July. The audit completion report had not been completed in time for the meeting due to a number of reasons including staff availability and competing workloads. Work on the report had been continued, where possible, and a new timetable had been agreed for the report to be presented to the Committee in November. A fair amount of work had been completed and so far there were no areas of concern. The Director of Finance added that the main reason for the delay from the Council's side was due to the preparation of the budget.

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Following the update Councillor Carter asked whether the Council were still within the required timeline despite the delay. Ms. Karen Murray responded that the Council would not meet the timeline as set out but many Councils were in the same position and there would be no penalties for the council for not meeting the deadline, however they would need to publish a notice confirming the late publication.

RESOLVED: That the content of the report be noted.

**20. ANNUAL GOVERNANCE STATEMENT 2020/21**

The Audit and Assurance Manager introduced the final version of the AGS and informed the Committee of the changes that had been made to the AGS since the draft came to the Committee in July. The Committee were informed that if approved the final version would be published alongside the Statement of Accounts in November.

Following the introduction Councillor Lloyd asked whether there was an update on the Councils performance for completing Subject Access requests and Freedom of Information requests and. The Audit and Assurance Manager responded that there was a project group looking at Subject Access requests and there had already been a large improvement in response times. The Audit and Assurance Manager stated that information on SARs would be provided.

RESOLVED: That the Committee Approve the Annual Governance Statement.

**21. PRESENTATION ON THE ASSET INVESTMENT STRATEGY**

The Director of Finance provided an overview of the presentation on the Asset Investment Strategy. The Committee were informed that the strategy originally agreed to borrow £300M looking at investments that could be made to generate returns that would deliver good rates of return to support the Council's budget. The Strategy had matured over the course of its existence and was now focused upon regeneration and the amount had increased to £500M. The Director of Finance described the requirements the Council had to adhere to as part of the Prudential Code guidance. The main change to the code had been that Councils' could no longer borrow purely for profit but needed to demonstrate other outcomes, which would be delivered from the loan and subsequent investments.

The Committee were informed that the strategy was overseen by the Investment Management Board (IMB) with recommendations made to the IMB provided by Council officers rather than the Council's consultants (CBRE), who helped to identify and conducted due diligence on investment opportunities. The Director of Finance then went through the Council's current set of investments and explained the different types of investments the Council was involved in. The Committee were provided with the figures for the amount of income generated by the investments and the projected income over the next few years.

The Council primarily looked to invest within Trafford but they also invested some funds across Greater Manchester. Originally the Council had looked at other

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investment opportunities in neighbouring areas but this approach had changed in line with government regulation and guidance. The Director of Finance explained the risk reserve the Council set aside each year, which had accumulated up to around £6M. The Committee were assured that the fund would be utilised to protect the Council if there were any issues with an investments, such as not letting a retail space.

The Director of Finance concluded his overview by informing the Committee that the Council were looking at a £1M shortfall in income during 2021/22. This was due to not having identified enough investments to fill in for those which had come to an end.

Following the overview a number of questions were asked by Members of the Committee covering a range of areas including; the investment shortfall, the pipeline of investments, updating the value of investments, and investments which addressed the council's Green and Connected priority. The Director of Finance provided detailed responses to the questions and agreed to provide additional information in relation to the valuation of investments and investments that addressed the Green and Connected priority within the Council's portfolio.

RESOLVED: That the content of the presentation be noted.

**22. BUDGET MONITORING 2021/22 - PERIOD 4 (APRIL TO JULY 2021)**

The Director of Finance provided an overview to the Committee and explained that there was a continuation of pressures in social care as well as other areas. A large amount of the in year projected savings were still to be delivered. This position was being monitored on a monthly basis by CLT, as it was an area for concern. The Council did have some contingency budgets that could be used if required. In addition there were in year pressures including the public sector pay award which had not been budgeted for, as government had originally said there would be a pay freeze. The Council would look at a number of options in order to meet the shortfall.

Following the overview Committee Members asked questions relating to the Council not meeting its savings targets, decarbonised funding, and capital funding being moved to the following year. The Director of Finance provided in depth responses to each of the questions and agreed to provide additional information to the Committee regarding savings targets and decarbonised funding after the meeting.

RESOLVED: That the content of the report be noted.

**23. AUDIT AND ASSURANCE REPORT FOR THE PERIOD, APRIL TO JULY 2021**

The Audit and Assurance Manager gave an overview of the report to the Committee. He drew the Committee's attention to section four and the opinions received, which had all been positive for the three reports produced within the period. The Committee were informed that there would be a further update in November which would show the outcomes of those reports.

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The Audit and Assurance Manager went through the rest of the work the team had done during the period including work on the AGS and work with the Information governance team. 12 out of 13 of the recommendations made within the team's reports had been agreed. In terms of recommendations previously made that have recently been followed up, it was reported that good progress had been made with a large proportion having been implemented. The Audit and Assurance Manager concluded the overview looking at the level of resource available and used by the team. He informed the Committee that the team would have a vacancy due to a member of staff leaving. There were a number of reports currently underway and more reports would be available for the next meeting. The Committee were informed that appendix 1 of the report provided a list of planned reports against actual and appendix 2 gave a summary of reports.

Following the overview the Committee were given the opportunity to ask questions but none were raised.

RESOLVED: That the content of the report be noted.

**24. ACCOUNTS AND AUDIT COMMITTEE WORK PROGRAMME 2021/22**

The Audit and Assurance Manager informed the Committee that there had been a slight change to the work programme regarding the publishing of the accounts and the subsequent reports. He also drew the Committee's attention to the upcoming appointment of external auditors for the 2023/24 municipal year.

Following up on a previous request by Councillor Coggins the Audit and Assurance Manager informed the Committee that an update on climate change was to be provided to full Council and it would be up to the Committee they wanted a further update after that.

RESOLVED: That the work programme be noted.

The meeting commenced at 6.30 pm and finished at 7.31 pm