

ACCOUNTS AND AUDIT COMMITTEE – VIRTUAL MEETING

23 MARCH 2021

MEMBERS PARTICIPATING

Councillor B. Brotherton (in the Chair).

Councillors C. Boyes, G. Coggins, J. Dillon, Evans, J. Lloyd (Vice-Chair), A. Mitchell, R. Thompson and B.G. Winstanley; and Mrs. J. Platt.

In attendance

Director of Finance (Mr. G. Bentley),
Audit and Assurance Manager (Mr. M. Foster),
Director of Procurement (Ms. L. Cox) (part only),
Strategic Finance Manager (Mr. D. Muggeridge) (part only),
Governance Officer (Mr. A. Murray) (part only),
Governance Officer (Mr. J.M.J. Maloney).

26. ATTENDANCES

27. DECLARATIONS OF INTEREST

No declarations were made by Members of the Committee.

28. QUESTIONS FROM MEMBERS OF THE PUBLIC

It was noted that no questions had been received for referral to the current meeting.

29. MINUTES

RESOLVED – That the Minutes of the Meeting held on 3rd February, 2021 be approved as a correct record and signed by the Chair.

30. STAR PROCUREMENT UPDATE

The Director of Procurement was in attendance to introduce a presentation setting out key aspects of the performance of the STAR procurement service during the past year, and its business plan and objectives for 2021-4. Plans were noted for the alignment of Social Value measures to the Council's corporate priorities, and for the broader "Social Value Organisation" pilot, which would be considered by the Executive in due course.

An opportunity was provided for Members to raise questions on the presentation's content. These focussed on the calculation of savings achieved; different aspects of "social value"; the distinction between numbers of bidders and percentage of spend recorded as being retained within Greater Manchester; and the balance between retained expenditure across STAR's component partners, on which further detail would be provided outside the meeting. It was noted that further updates would be brought to the Committee on a periodic basis.

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RESOLVED – That the content of the presentation, and the issues raised by Members, be noted.

31. AUDIT COMPLETION LETTER 2019/20

[Note: Councillor Lloyd declared a Personal Interest in this item, insofar as the discussion related to Stretford High School, in relation to her governorship of that school.]

Karen Murray, representing Mazars, the Council's external auditor, was in attendance to introduce and draw Members' attention to key aspects of the audit completion letter for 2019/20, particularly in respect of matters which had remained outstanding at the date of the Completion Report in November 2020. It was noted that an unqualified opinion on the accounts had been issued on 10th March 2021. Members discussed significant issues arising from the audit, including in relation to the valuation of assets, on which a number of measures were in hand to address the issues identified.

RESOLVED – That the content of the correspondence, and of Members' discussion, be noted.

32. ANNUAL GOVERNANCE STATEMENT (AGS) 2020/21- APPROACH AND TIMETABLE

Alexander Murray was in attendance to introduce key features of a report of the Head of Governance which set out the action plan / timetable to ensure compliance with the production of an Annual Governance Statement for 2020/21. Members were advised that the preparation and publication of an Annual Governance Statement was necessary to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit Regulations 2015; and that, in facilitating the production of the Annual Governance Statement, the guidance issued by CIPFA/SOLACE in April 2016 would be used as a reference point during the process. Members were advised of a number of expected key additions, in relation to the Covid-19 pandemic and the implementation of the Financial Management Code; and it was noted that the Committee would have a number of further opportunities to review the AGS prior to its formal adoption.

RESOLVED –

- (1) That the timetable / action plan be noted.
- (2) That it be noted that the Committee would have input into reviewing a draft version of the Annual Governance Statement prior to its being finalised and signed off by the Chief Executive and Leader of the Council.

33. AUDIT AND ASSURANCE SERVICE - INTERNAL AUDIT OPERATIONAL PLAN 2021/22

The Audit and Assurance Manager introduced a report which provided, at a high level, the proposed Internal Audit Operational Plan for 2021/22. It set out planned work for the year, acknowledging that this remained flexible and subject to review as needed during the year. Members were advised that, since there had been significant disruption to planned work in 2020/21 due to the COVID1-19 pandemic, plans for the year ahead took account both of new areas for review and work deferred to 2021/22.

The report also included the Internal Audit Charter and Strategy, previously approved by the Accounts and Audit Committee and recently updated to reflect the Director of Finance and Systems being designated as the Section 151 Officer from March 2021.

In discussion Members noted that the alignment, from April 2021, of the classification of audit opinion levels with CIPFA standards would have an impact on reporting locally, and might potentially change the marginal designation of some audit outcomes.

RESOLVED – That the 2021/22 Internal Audit Plan be approved.

34. STRATEGIC RISK REGISTER UPDATE

The Audit and Assurance Manager introduced a report which provided an update on the strategic risk environment, setting out developments relating to the management of each of the Council's strategic risks. An introduction was noted to the changes in designation and classification of the identified risks, including that Risk 8 (incorrectly referenced as 9 in paragraph 2.4) had been expanded to cover the economic impact of Covid-19 as well as Brexit. Questions from Members were noted; and it was agreed that an update would be provided outside the meeting, in relation to Risk 4 (data security) on ongoing ICT issues affecting a key delivery partner of the Council.

RESOLVED – That the content of the report be noted.

35. BUDGET MONITORING 2020/21 - PERIOD 10 (APRIL 2020 TO JANUARY 2021)

The Director of Finance and Systems introduced a report of the Executive Member for Finance and Governance and the Corporate Director of Finance and Systems which provided an update on the latest financial performance against the budget for 2020/21. This informed Members of the current 2020/21 forecast outturn figures relating to both Revenue and Capital budgets. It also summarised the latest forecast position for Council Tax and Business Rates within the Collection Fund. The Director of Finance and Systems drew Members' attention to key features of the report, including the currently estimated outturn of a £2.301 million underspend.

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In discussion, Members raised queries on the report's content, principally in relation to: the implications of the extent of the Council's reliance on the dividend from the airport; the status of the GMCA redistribution of Growth Pilot monies; the possibility of further Covid-related budget support from central Government; and the proportion of net budgetary pressures attributable to the Covid-19 pandemic.

RESOLVED –

- (1) That the updated positions on the revenue budget, collection fund and capital programme be noted.
- (2) That the movements in earmarked reserves be noted.

36. ACCOUNTING CONCEPTS AND POLICIES

The Strategic Finance Manager introduced a report of the Executive Member for Finance and Governance and the Director of Finance and Systems which explained the accounting concepts and policies that would be used in preparing the 2020/21 annual accounts. It was noted that there were no material changes to the Accounting Policies for 2020/21, but that the impact of any current and forthcoming amendments, including in relation to the accounting treatment of leased assets, was being kept under review.

RESOLVED –

- (1) That the accounting concepts and policies that will be used in completing the 2020/21 annual accounts be approved.
- (2) That the changes be noted in accounting standards issued but not yet adopted until 2021/22 in respect of accounting for leases.

37. ACCOUNTS AND AUDIT COMMITTEE WORK PROGRAMME 2020/21

The Audit and Assurance Manager introduced a report which set out the work plan for the Committee for the 2020/21 municipal year, outlining areas considered by the Committee at each of its meetings, over the period of the year. It was noted that the work programme had assisted in ensuring that the Committee met its responsibilities under its terms of reference and maintained focus on key issues and priorities as defined by the Committee. It was noted that one additional item – the external auditor's Audit Strategy Memorandum, setting out proposed work for the coming year – would be circulated to Members by correspondence. Members were advised that an Annual Report covering its work over the past year, and a proposed work plan for the coming year, would be presented to the Committee's next meeting.

RESOLVED – That the position on the 2020/21 work programme be noted.

The meeting commenced at 6.30 p.m. and finished at 8.07 p.m.