

# ACCOUNTS AND AUDIT COMMITTEE

**26 JUNE 2024**

## PRESENT

Councillors: B Brotherton (Chair), J Lloyd (Vice-Chair), J Axford, K Glenton, O Baskerville, M Welton.

### In attendance

David Wright	Counter Fraud Manager
Alistair Newall	External Auditor, FORVIS MAZARS
Dave Muggeridge	Head of Financial Management
Mark Foster	Audit and Assurance Manager
Harry Callaghan	Democratic Officer
Stephanie Ferraioli	Democratic Officer

## 1. ATTENDANCES

An apology for absence was received from Councillor Brophy, Carter and Zhi.

## 2. DECLARATION OF INTEREST

There was no declaration of interest against any of the items on tonight's' Agenda.

## 3. QUESTIONS FROM MEMBERS OF THE PUBLIC

No questions from members of the public were received.

## 4. MINUTES

RESOLVED – That the minutes of the meeting held on 19<sup>th</sup> March 2024 be noted as a true and correct record.

## **5. COUNTER FRAUD TEAM ANNUAL REPORT 2023/24**

The Counter Fraud Manager updated the Committee in changes in the team from the previous year informing that now the Council Mitigation team will be overseen by the Council Exchequer, however the Counter Fraud team's remit remains the same in relation to investigating revenue matters such as Council Tax fraud and Council Tax discount and exemption schemes and the team continues to investigate the Business Support Grants to make sure there are no abuses of finances.

He continued illustrating the case studies in the report demonstrating the success of the investigations relating to council tax and business rates.

Another part of the work that the team carries out is data matching where information such as business rates data or council tax data is shared with other public bodies. They work with other partners such as Greater Manchester Police and other authorities identifying where different details are sometimes submitted by the same resident which without the data matching work would never be discovered.

This can be seen in case study 3 of the report where the tenant of a premises had applied to two different authorities submitting different details to each and as part of a subsequent investigation, it was found that over £80,000 had been falsely claimed relating to Small Business Rates Relief and Small Business Fund Grants. The overpayments have since been recovered and the case is to go to Crown Court later in 2024.

During a different investigation it was also uncovered that a member of staff employed by Trafford Council on a full time basis was also working for another authority at the same time along with taking on extra shifts which would be physically impossible to do and it transpired they were claiming sick leave from one authority whilst working at the other. The employee was dismissed with immediate effect after a disciplinary hearing.

RESOLVED – That the update be noted.

## **6. 2023/24 DRAFT ANNUAL GOVERNANCE STATEMENT**

The Democratic Officer presented the draft Annual Governance Statement for 2023/24 on behalf of the Legal and Governance team.

Members reviewed the draft document and asked that further detail be considered for inclusion regards the climate emergency, such as actions being taken and outcomes e.g. regards transport emissions.

RESOLVED – That the report be noted and the updated version submitted back to Committee later in the year for final approval.

## **7. AUDIT AND STRATEGY MEMORANDUM 2022/23**

The External Auditors updated the Committee stating that the team was adopting a high-level summary of audit approach and working to a tight timetable given that the 2022/23 audits need to be completed by September 2024 which is reflected on page 24 of the report presented tonight. Whilst there have been delays, they have a clear timetable that they are working to in order to catch up and complete the audit by required timescales.

He drew attention to 4 significant risks stated in the report around areas of judgement and large values which have been known from previous years and remain virtually the same. Section 5 of the report presents the approach to the Council's Value for Money arrangement describing the risk to the Council's financial sustainability position.

The External Auditor also informed the Committee that it is the Actuary that will be calculating the value of the pension asset coming from staff being members of GMPF, which is a very complex task and has been a significant risk for every authority over the last ten years.

RESOLVED – That the report be noted.

## **8. 2023/24 ANNUAL HEAD OF INTERNAL AUDIT REPORT**

The Audit and Assurance Manager informed the Committee that the Annual Head of Internal Audit report has been produced, as required by the Public Sector Internal Audit Standards. The report provides an opinion on the standard of the control and risk management arrangements in place for 2023/24. The report provides details of the various internal audit work undertaken during the year.

The opinion is based on the outcome of the various audits completed during the year and other sources of assurance. The overall opinion concluded that, overall, a reasonable level of assurance can be given that the control environment, encompassing internal control, risk management and governance, is operating to a satisfactory standard.

In addition to completing audit reviews, in term of other work undertaken during the year, the Audit and Assurance Manager explained how the team had worked with CLT to facilitate the updating of the strategic risk register; liaised with Legal and Governance to contribute to the AGS and worked with the Counter Fraud team, as referred to earlier in the meeting. Guidance has been issued to schools in respect of IT security and governance during the year. Details of work completed during the year are set out from page 67 of the report.

The team had set a target of completing 30 audits per year and met the target by the end of March 2024. The team were assessed by CIPFA as part of an external quality assessment in 2022/23 and it was reported in June 2023 that Internal Audit was

operating in general conformance with the Public Sector Internal Audit Standards. On page 80 of the report, this sets out actions taken since the assessment to ensure there is continued conformance with the standards.

RESOLVED – That the report be noted.

## **9. STRATEGIC RISK REGISTER UPDATE REPORT – JUNE 2024**

The Audit and Assurance Manager reminded that the report is part of the regular updates provided throughout the municipal year keeping Members up to date with any changes in the strategic risk register. This latest update was produced in collaboration with Corporate Directors, Heads of Service and Managers with information provided in May and June 2024.

The Audit and Assurance Managers explained that the 17 risks on the register relate to each Council directorate and each risk has its own action plan details attached as set out from page 96 of the report. Key changes since the last update back in March 2024 refer to two risk scores that CLT have recently updated as per page 94 of the report and namely: Risk 6 - Leisure Investment Programme presents a slight decrease from a high 20 to a medium 15 and Risk 16 – Adult Safeguarding presenting an increase from 8 to medium 10 to align with other organisations. Further updates on the risk changes will be provided throughout the year.

Members raised queries about Risk 5 (Public Health strategic risk) and also Risk 12 (Asset Investment Strategy) and were informed that updates will be provided at future meetings.

RESOLVED:

- 1) That an update on the Public Health Risk be provided at the next meeting, to include coverage of links with the ICB.
- 2) That the report be noted.

## **10. ACCOUNTS AND AUDIT COMMITTEE 2023/24 ANNUAL REPORT**

The Audit and Assurance Manager informed that the report informs on the Committee's work from last year. It was noted that the Chair will present at the next Council meeting in July 2024, updating on how the Committee met its responsibilities during the previous year.

RESOLVED – That the report be noted.

## **11. ACCOUNTS AND AUDIT COMMITTEE WORK PROGRAMME 2024/25**

The Audit and Assurance Manager proposed the work programme for the current municipal year in order to meet the Committee's responsible for the year ahead and reminded that the programme is flexible and can be amended with Members' suggestions and that future training and briefings will be added as they become available.

He also informed that the next Accounts and Audit Committee meeting will be reinstated to the 25<sup>th</sup> September date as opposed to the October date in order to finalise the 2022/23 audit accounts.

Members asked to add coverage in the work programme to include Ethical Banking and were informed that this is normally covered in the Treasury Management items.

### **RESOLVED:**

- 1) That consideration is given to including details regards arrangements in respect of ethical banking as part of the work programme.
- 2) That the report be noted.

## **12. URGENT BUSINESS (IF ANY)**

There was no urgent business to be discussed.