

ACCOUNTS AND AUDIT COMMITTEE

24 SEPTEMBER 2015

PRESENT

Councillor A. Mitchell (in the Chair).

Councillors C. Boyes, B. Brotherton, D. Butt (Vice-Chairman), N. Evans and T. Ross

In attendance

Director of Finance	(Mr. I. Duncan)
Head of HR Business Partnering	(Ms. D. Lucas)
Interim Head of Financial Management	(Mr. G. Bentley)
Audit and Assurance Manager	(Mr. M. Foster)
Counter Fraud & Enforcement Manager	(Mr. D. Wright)
Principal Audit & Assurance Team Leader	(Mr. J. Miller)
Democratic & Scrutiny Officer	(Mr. C. Gaffey)

Also in attendance

Mr. M. Thomas, Grant Thornton UK LLP

APOLOGIES

Apologies for absence were received from Councillors J. Baugh

15. MINUTES

RESOLVED: That the Minutes of the meeting held on 30 June 2015, be approved as a correct record and signed by the Chairman.

16. BENEFIT FRAUD INVESTIGATION ANNUAL REPORT 2014/15

The Committee received a report of the Counter Fraud and Enforcement Manager outlining the Council's responsibilities towards tackling benefit related fraud. The report provided details of the team's performance during the period April 2014 – March 2015, providing details of the outcomes of activity over this period. The report also outlined the team's plans for 2015/16 and beyond.

The Committee was told that the Counter Fraud and Enforcement Team would be operating in its current form for the final time this year. As part of Government policy on welfare reform, a single fraud investigation service consisting of staff currently employed by local authorities and the Department for Work and Pensions would be created. This team would be tasked with the duties of investigating all range of benefits under the banner of a single organisation, rather than as separate entities. After March 2016, the Council would have no authority to prosecute benefit fraud; however, there would still be some areas of work that councils would be responsible for investigating (e.g. Council Tax Support scheme fraud, Council Tax Discount fraud, Business Rates fraud and Social Care fraud). Arrangements going forward in respect of fraud investigation are therefore currently under review.

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The report highlighted some significant results, with the level of fraud overpayments identified as a result of investigations undertaken at the highest amount since the team was set up (£1,100,775).

The Counter Fraud and Enforcement Manager answered questions by Members relating to reclaimed funds, the transfer of staff to the new team, and prosecution of offenders.

RESOLVED: That the report be noted.

17. AUDIT FINDINGS REPORT 2014/15

The Committee received a report of Trafford's External Auditor, Grant Thornton LLP, highlighting the key matters arising from their audit of Trafford Council's financial statements for the year ending 31 March 2015.

The report highlighted audit findings against significant risks, accounting policies, estimates and judgements, internal controls, adjusted misstatements and disclosure changes. It was anticipated that an unqualified opinion in respect of the financial statements would be provided by 30 September, 2015.

The general assessment was that the Council had good financial management / control, and with tough times ahead, the Council would be able to cope with these demands.

A representation letter was tabled at the meeting in connection with the report. It was a requirement that the contents of the representation letter be read and agreed by the Committee, and the letter be signed by the Chairman. The letter confirmed that the information provided to Grant Thornton which enabled them to complete the Audit Findings Report 2014/15, was accurate to the best of Trafford Council's knowledge. The letter has since been published on the Trafford website.

The Chairman expressed his delight with the results of the audit, and thanked the External Auditor for their work.

RESOLVED:

(1) That the report be noted.

(2) That the letter of representation be approved by the Committee and signed by the Chairman.

18. APPROVAL OF ANNUAL STATEMENT OF ACCOUNTS 2014/15

The Committee received a report of the Director of Finance which presented the redrafted Final Accounts for 2014/15. The pre-audited 2014/15 accounts were considered by the Committee on 30 June 2015. On 1 July 2015 the accounts were submitted to the Council's external auditors, Grant Thornton, and placed on deposit for public inspection for four weeks. This redrafted report reflected changes agreed with Grant Thornton following their audit.

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Members requested that the final accounts be made available on their work tablets. The Democratic and Scrutiny Officer agreed to look into this on behalf of Members.

RESEOLVED: That the final accounts for 2014/15 be approved.

19. ANNUAL GOVERNANCE STATEMENT 2014/15

The Committee received a report of the Audit and Assurance Manager providing a final version of the Annual Governance Statement for 2014/15. The only notable change to the draft report received by the Committee on 30 June 2015, was the addition regarding the provision of leisure services in the Borough going forward.

It was confirmed that the report had been signed off by the Chief Executive and the Leader.

RESOLVED: That the 2014/15 Annual Governance Statement be approved.

20. BUDGET MONITORING ACTION PLAN - SUMMARY OF ACTIONS AND IMPROVEMENTS

The Committee received a report of the Acting Corporate Director, Transformation and Resources summarising the actions and improvements made to the budget monitoring arrangements to-date. The report was presented by the Director of Finance who apologised on behalf of the Acting Corporate Director, Transformation and Resources for her absence.

The report detailed the significant activity that had been undertaken since the development of the action plan, highlighting the implementation of improvements in budget monitoring arrangements. The report also highlighted improvements made in relation to the wider cultural, performance management, and training and development issues that were identified during the investigation. The Committee were reminded that sixteen recommendations were made in September 2014, and a large amount of work had gone into implementing these over the past year with particularly close attention being paid to the Adult Social Care budget.

Members of the Committee were reassured by the implementation of these recommendations and pleased with the culture change. The Director of Finance answered questions regarding staff morale, the balance between risk and efficiency, and the level of detail included in reports brought to the Committee.

It was agreed that the Interim Head of Financial Management would tailor a presentation for the next Accounts and Audit Committee meeting, providing Members with information on the budget monitoring training that had been provided to staff.

The Chairman queried whether this report should be the final update. The Director of Finance advised that the intention was for the Internal Audit team to keep under review the operation of the improvements as part of their annual review of budget monitoring arrangements. The Director of Finance also advised that it was likely

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that the format and content of budget monitoring reports would be reviewed in due course.

RESOLVED: That the report be noted.

21. STRATEGIC RISK REGISTER UPDATE SEPTEMBER 2015

The Committee received a report of the Audit and Assurance Manager containing an update on the strategic risk environment. This included the arrangements in place to manage each of the strategic risks.

The Audit and Assurance Manager highlighted the risks with a revised risk exposure score as well as the risks which had been removed from the register. It was agreed that the Audit and Assurance Manager would provide Members with more detail on the forecasting the demand for school places including considering children moving in and out of the Borough.

It was confirmed that a further update on the Strategic Risk Register would be brought to the Committee in March.

RESOLVED: That the report be noted.

22. AUDIT AND ASSURANCE SERVICE 2015/16 QUARTER ONE UPDATE

The Committee received a report of the Audit and Assurance Manager providing a summary of the work of Audit and Assurance during the period April to June 2015. The report provided ongoing assurance to the Council on the adequacy of its control environment.

The report highlighted the main areas of focus for the quarter and a summary of the audit and assurance opinions issued. Other audits were in progress at the end of quarter one and more information on these would be brought to the Committee in November as part of the quarter two update.

Members asked how audit and assurance would work with services which were now provided by Amey as part of the joint venture contract. The Audit and Assurance Manager confirmed that meetings with EGEI Directorate staff had taken place and arrangements would be developed through the year. As opposed to systems reviews as previously undertaken, there would be more of a focus on contract/performance monitoring arrangements.

RESOLVED: That the report be noted.

23. REVENUE BUDGET MONITORING 2015/16 - PERIOD 4 (APRIL TO JULY 2015)

The Committee received a report of the Executive Member for Finance and the Director of Finance detailing the outcomes of the monitoring of the Council's revenue budget for period 4 (April to July 2015).

The report was the first of the financial year for the Committee, and the current forecast monitor forecasted an £800,000 underspend. It was noted that

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approximately 99% of base budget savings had been or were forecasted to be delivered. The Director of Finance discussed the recent Government announcement that it would be seeking £3.1 billion of in-year public expenditure reductions, £200 million of which would be in respect of Public Health. A short term solution had been agreed, but long term solutions would need to be formulated in case the in-year expenditure reductions would be long term.

RESOLVED: That the report be noted.

24. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2015/16

The Committee received a report of the Audit and Assurance Manager setting out the updated work plan for the Committee for the 2015/16 municipal year.

RESOLVED: That the report be noted.

25. URGENT BUSINESS (IF ANY)

(a) Digital agenda distribution and use of tablet devices

[The Chairman brought this to the Committee as an item of urgent business to encourage Members to adopt the new approach to agenda distribution]

The Chairman discussed the new digital agenda distribution system and urged Members to adopt these changes as soon as possible. All Members were asked to download the modern.gov app and register their details to ensure they have full access to the relevant agenda papers.

The meeting commenced at 6.30 pm and finished at 8.02 pm