

ACCOUNTS AND AUDIT COMMITTEE

6 DECEMBER 2017

PRESENT

Councillor N. Evans (in the Chair).

Councillors C. Boyes (Vice-Chairman), J. Baugh, B. Brotherton, P. Lally and A. Mitchell

Also Present

Councillor M. Cordingley

In attendance

Head of Financial Management

(G. Bentley)

Audit and Assurance Manager

(M. Foster)

Democratic & Scrutiny Officer

(C. Gaffey)

APOLOGIES

Apologies for absence were received from Councillor J.A. Wright.

24. ATTENDANCES

The Committee welcomed Tommy Rooney to his first Trafford Council Accounts and Audit Committee meeting as a representative of the Council's External Auditor, Grant Thornton UK LLP.

25. MINUTES

RESOLVED: That the Minutes of the meeting held on 6 September 2017, be approved as a correct record and signed by the Chairman.

26. ANNUAL AUDIT LETTER 2017/18

The Committee received the Council's Annual Audit Letter for the year ending 31 March 2017, summarising the key findings arising from the work of the External Auditor, Grant Thornton. The report highlighted the summary of reports issued and fees charged.

RESOLVED: That the report be noted.

27. PROGRESS AND UPDATE REPORT FOR TRAFFORD COUNCIL

The Committee received a report of Grant Thornton UK LLP on the progress at December 2017 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.

RESOLVED: That the report be noted.

28. TREASURY MANAGEMENT 2017-18 MID-YEAR PERFORMANCE REPORT

The Committee received a report of the Executive Member for Corporate Resources and the Chief Finance Officer providing a summarised account of the Treasury Management activities and outturn for the first half of the 2017/18 financial year together with an update of the world economic situation.

Members were given the opportunity to ask questions, and discussions took place around the Council's debt position in comparison to other Local Authorities. The Head of Financial Management agreed to provide a written response providing more information on the Council's variable debts and how they work as requested by a Member of the Committee. Members also requested that an additional column be included in the table in section 5.6 of the report to show the direction of travel for the value of the Council's UK and non-UK investments. It was noted that the Council's previous investments in the Qatar National Bank had now been repaid.

RESOLVED: That the report be noted.

29. STRATEGIC RISK REGISTER 2017/18 (NOVEMBER 2017 UPDATE)

The Committee received a report of the Audit and Assurance manager providing an update on the strategic risk environment and setting out developments relating to the management of each of the Council's strategic risks.

Members were advised of the two new risks added to the register; the integration of Trafford Council and the Trafford Clinical Commissioning Group, and University Academy 92 (UA92). Both were considered high level risks, with specific risk scores to be confirmed in subsequent risk updates. It was also noted that the risk regarding the MTFP now included information on the Investment Strategy, however due to the scale of this strategy, Members suggested that it also be considered separately.

It was noted that some Members requested further information in respect of the proposed integration of Trafford Council and the Trafford Clinical Commissioning Group (CCG). As the process was currently in the consultation phase, it was suggested that an update would be more appropriate following the consultation's completion.

The Committee discussed school funding, as well as discussing the possible financial implications of the UA92 project. Members also discussed the proposals for the new leisure facility on the UA92 campus, and how this would be funded.

Referring to the statement relating to the upgrade of Council IT systems to the Windows 10 operating system on page 59 of the agenda, it was noted that this would not take place until 2018, and the register would need to be updated to reflect this.

RESOLVED: That the report be noted.

30. BUDGET MONITORING 2017/18 - PERIOD 6 (APRIL TO SEPTEMBER 2017)

The Committee received a joint report of the Executive Member for Corporate Resources and the Chief Finance Officer informing Members of the current 2017/18 forecast outturn figures relating to both Revenue and Capital budgets. The report also summarised the latest forecast position for Council Tax and Business Rates within the Collection Fund.

Members were advised of the forecasted revenue budget underspend of £941k, however pressures on the Children's and Adult Social Care Services remained. The impact of this on the 2018/19 budget would need consideration particularly given the planned budget savings in both the Economic Growth, Environment and Infrastructure and Transformation and Resources Directorates. Therefore the levels of saving seen in these two areas in previous years, which have been used to mitigate the costs pressures in social care, would be unlikely to occur again.

The Committee were advised of the business rate retention benefit expected by the Council, which had been agreed at Greater Manchester level following the business rate 100% growth pilot.

RESOLVED:

- a) That the forecast revenue budget underspend of £941k be noted;
- b) That the one-off receipt relating to the 2016/17 Business Rate Growth Pilot of £1.3m, which will be transferred to a new earmarked reserve to mitigate future business rates related risks, be noted;
- c) That the changes to the Capital Programme as detailed in paragraph 17 be noted.

31. AUDIT AND ASSURANCE REPORT FOR THE PERIOD JULY TO SEPTEMBER 2017.

The Committee received a report of the Audit and Assurance Manager providing a summary of the work of Audit and Assurance during the period July to September 2017. The report also provided ongoing assurance to the Council on the adequacy of its control environment.

Members were advised of the main areas of focus, and provided with a summary of assurances for the second quarter for 2017/18, and it was noted that the majority of the recommendations made by the Audit Team had been accepted.

As per the requirement for Local Authorities to have their internal audit function independently assessed, Members were advised that CIPFA had undertaken this assessment in November 2017. In terms of CIPFA's findings, Members would be updated at the February 2018 meeting and it was hoped the final report would be shared at that meeting.

RESOLVED: That the report be noted.

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32. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2017/18

The Committee received a report of the Audit and Assurance Manager setting out the updated work plan for the Committee for the 2017/18 municipal year.

Members thanked all Officers who'd supported the Accounts and Audit Committee for the work undertaken during the municipal year thus far.

RESOLVED: That the report be noted.

The meeting commenced at 6.33 pm and finished at 7.20 pm