

## **ACCOUNTS AND AUDIT COMMITTEE**

**6 FEBRUARY 2019**

### **PRESENT**

Councillors B. Brotherton (in the Chair), Dillon, Lally, Mitchell, Patel and Slater.

### **IN ATTENDANCE**

Head of Financial Management (G. Bentley),  
Audit and Assurance Manager (M. Foster),  
Democratic and Scrutiny Officer (J.M.J. Maloney).

### **ALSO IN ATTENDANCE**

Ms. K. Murray and Mr. T. Rooney (Mazars) and Ms. J. Platt (prospective Independent Member).

### **APOLOGIES**

Apologies for absence were received from Councillor C. Boyes

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

The Chair reported that no questions had been received in respect of this meeting.

## **29. MINUTES**

RESOLVED – That the Minutes of the Meeting held on 31<sup>st</sup> October 2018 be approved as a correct record and signed by the Chair.

## **30. APPOINTMENT BY COUNCIL OF AN INDEPENDENT MEMBER OF THE COMMITTEE**

The Chair reported that, following a selection procedure involving himself, Councillor Patel and Councillor Mitchell, the appointment had been recommended of Ms. J. Platt (who was in attendance at this meeting as an observer) as an Independent Member of this Committee. As the meeting of Council on 30<sup>th</sup> January had been cancelled, owing to adverse weather conditions, this appointment had not yet been formally ratified; but it was expected that the process would be completed at Council's next meeting. In the meantime, Members extended a welcome to Ms. Platt.

RESOLVED – That the position in respect of the Independent Member appointment be noted.

**31. TRAFFORD COUNCIL AUDIT STRATEGY MEMORANDUM**

Ms. K. Murray (Mazars) provided an introduction to the key features of the Audit Strategy Memorandum, including the external auditors' role in providing formal opinions on the Council's accounts and value for money arrangements. It was reported that the auditors were currently on track to deliver the programme for the year. A briefing was provided for Members on the concept of "materiality", insofar as it applied to the audit opinion. An opportunity was provided for Members to raise questions on the report's content; these related to key areas of potential identified financial risk. In discussion, the suggestion was noted that a non-technical summary of the report's key messages might be of benefit to the Committee's Members.

RESOLVED – That the content of the Audit Strategy Memorandum be noted.

**32. TRAFFORD COUNCIL AUDIT PROGRESS REPORT**

Mr. T. Rooney (Mazars) provided Members with an introduction to the key points contained in the external auditors' second progress report in respect of the 2018/19 audit year. It was noted that no significant matters had been identified from planning and interim work which required reporting to Members at this stage. Audit staff were scheduled to be undertaking further work imminently, and a Final accounts workshop was planned for the Council's finance officers. Members' attention was drawn to the schedule of potentially useful national publications appended to the report; and it was agreed that the Chair would make arrangements for the circulation of the 2019 Horizon Scanning document.

RESOLVED –

(1) That the content of the Audit Progress Report be noted.

(2) That the Chair make arrangements for the circulation of the 2019 Horizon Scanning document.

**33. GRANT CERTIFICATION LETTER 2017/18 - HOUSING BENEFIT SUBSIDY CLAIM**

G. Bentley briefed the Committee on the content of the Qualification Letter which had been issued by Grant Thornton in November 2018, and explained the significance of the Rent Allowance classification issues referred to in the correspondence. It was noted that no financial risk had resulted from the circumstances, and that additional measures had been put in place to enhance reporting for the 2018/19 financial year.

RESOLVED – That the content of the report be noted.

**34. TREASURY MANAGEMENT STRATEGY 2019/20 - 2021/22**

G. Bentley summarised for Members the principal features of the Treasury Management Strategy which was due to be referred to Budget Council and Executive for approval. Members' attention was drawn to the distinction between day to day treasury management investments and the developing asset investment strategy, and it was confirmed that the focus would always be on security rather than rate of return. In discussion, Members reviewed a number of potential risk areas; and, as with the Audit memorandum above, it was noted that a non-technical summary could be of assistance to Members.

RESOLVED – That it be recommended that the Executive note the report and request Council to approve the Treasury Management Strategy 2019/20 – 2021/22 including the:

- policy on debt strategy as set out in section 3 of the report;
- investment strategy as set out in section 5 of the report;
- Prudential Indicators and limits including the Authorised Limit (as required by section 3(1) of the Local Government Act 2003), Operational Boundary, Minimum Revenue Provision Statement and Investment criteria as detailed in Appendix 3 of the report.

**35. ANNUAL GOVERNANCE STATEMENT 2018/19 - APPROACH / TIMETABLE**

M. Foster introduced a report of the Head of Governance, setting out details of the process and timescale for the production of the Annual Governance Statement 2018/19. It was emphasised that this Committee would have an opportunity to review the draft Statement at a later stage of its development.

RESOLVED –

- (1) That the content of the timetable and 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 it being finalised and signed off by the Chief Executive and Leader.

### **36. AUDIT AND ASSURANCE REPORT FOR THE PERIOD SEPTEMBER TO DECEMBER 2018**

The Audit and Assurance Manager introduced a report which sought to provide a summary of the work of Audit and Assurance during the period September to December 2018, and to provide ongoing assurance to the Council on the adequacy of its control environment. An opportunity was provided for Members to raise questions on the content of the report, which centred on arrangements for business continuity arrangements, with particular reference to partner organisations delivering services commissioned by the Council. Whilst this was properly a significant area for Strategic Risk Register, it was noted that it would be helpful for Members to have an awareness of these arrangements, to assist in information provision to affected communities, as required. In relation to a query regarding the practicality of more frequent referral of the Strategic Risk Register to this Committee, it was agreed that the officers would explore this further in liaison with the Corporate Leadership Team.

RESOLVED – That the content of the report and related discussion be noted.

### **37. BUDGET MONITORING 2018/19 - PERIOD 8 (APRIL TO NOVEMBER 2018)**

G. Bentley introduced a report of the Executive Member for Finance and Corporate Director, Finance and Systems which had been presented to the Executive at its meeting on 28<sup>th</sup> January 2019. Members' attention was drawn to key features, and variances occurring since the Period 6 monitor report. An opportunity was provided for Members to discuss the content of the report. Areas of discussion focussed on: the impact of demand-led services for budgetary control; the treatment of the Council's airport dividend; the Council's approach to reserves; the implications of savings arising from staff vacancies; and the volatility of Business Rates and lack of clarity on future arrangements. On the latter point, a suggestion was noted that it could be helpful for the Committee, at a future meeting, to receive a briefing on the background to, and potential implications of, Business Rates Retention initiatives.

RESOLVED – That the content of the report be noted.

### **38. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2018/19**

The Audit and Assurance Manager introduced a report which set out details of the Committee's work programme for the current year, noting that its content would form the basis of the proposed agenda for the Committee's next meeting in March 2019.

RESOLVED – That the content of the report be noted.

The meeting commenced at 6.30 p.m. and finished at 7.44 p.m.