

ACCOUNTS AND AUDIT COMMITTEE

26 SEPTEMBER 2013

PRESENT

Councillor M. Whetton (in the Chair).

Councillors Mrs. L. Evans (Vice-Chairman), C. Boyes, B Brotherton, P. Myers and T. Ross.

In attendance: Director of Finance (Mr. I. Duncan),
Head of Financial Management (Mr. I. Kershaw),
Audit and Assurance Manager (Mr. M. Foster),
Finance Manager (Mr. D. Muggerridge),
Investigations Manager (Mr. D. Wright),
Principal Audit and Assurance Team Leader (Mr. J. Miller),
Democratic Services Officer (Mr. I. Cockill).

Also in attendance: Mr. M. Waite and Ms. H. Stevenson, Grant Thornton UK LLP.

APOLOGIES

An apology for absence was received from Councillor J. Baugh.

12. MINUTES

RESOLVED: That the Minutes of the meeting held on 27 June 2013 be approved as a correct record and signed by the Chairman.

13. BENEFIT FRAUD INVESTIGATION 2012/13 ANNUAL REPORT

The Investigations Manager submitted a report outlining the Council's responsibilities towards tackling benefit related fraud perpetrated against the authority and providing details of the team's performance during the period April 2012 to March 2013. The report also provided details of the outcomes of activity over the period and outlined the team's plans for 2013/14.

RESOLVED: That the report be noted.

14. REVIEW OF THE COUNCIL'S ARRANGEMENTS FOR SECURING FINANCIAL RESILIENCE

The Committee received the External Auditor's review of the Council's arrangements for securing financial resilience and Managements' draft response to the review.

Members of the Committee welcomed the overall conclusion that whilst the Council faced financial challenges ahead with significant reductions in future government funding its current arrangements for securing financial resilience were good.

RESOLVED: That the report be noted.

15. THE AUDIT FINDINGS FOR TRAFFORD COUNCIL - YEAR ENDED 31 MARCH 2013

The Committee received a report of the External Auditor, Grant Thornton UK LLP, highlighting the key matters arising from the audit of the Council's financial statements for the year ended 31 March 2013.

Further to the report, Mick Waite, the Engagement Lead from Grant Thornton advised Members of a revision regarding the Council's system of internal control and consequential changes to pages 6 and 26 together with the insertion of new pages numbered 16a and 29a. Replacement pages concerning the issue of accessing payroll contracts of employment were tabled at the meeting and the Director of Finance reported that management was preparing a response which would be presented to a future meeting of the Committee.

The Engagement Lead also advised that Grant Thornton could not formally conclude the audit and issue an audit certificate until their work on the Council's Whole of Government Accounts was complete, however, he was satisfied that this would not have a material effect on the financial statements or on the value for money conclusion.

RESOLVED –

- (1) That the report be noted.
- (2) That the Director of Finance, the Finance and Audit and Assurance Teams and all other staff involved in the audit, be thanked for their good work.

16. ANNUAL STATEMENT OF ACCOUNTS 2012/13

Further to Minute No. 4 of the previous meeting held on 27 June 2013, the Director of Finance submitted a report presenting the redrafted Final Accounts for 2012/13, accommodating the changes agreed with the external auditor Grant Thornton, following their audit.

The Committee's attention was drawn to a change affecting the main statements which was also discussed in the external auditor's Audit Findings report considered at the meeting (Minute No. 15 refers). The Director of Finance stated that the change was technical in nature and had no impact on the financial standing of the Council. The effect of correcting for the matter was:

An adjustment of £2.582 million had been made within the Revaluation Reserve and Capital Adjustment Account (CAA) in respect of historic revaluation adjustments to the value of Investment Property, which since the introduction of International Reporting Standards are now held within the CAA.

All changes, the majority of which were cosmetic, were detailed in the report.

RESOLVED –

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- (1) That the Final Accounts for 2012/13, be approved.
- (2) That the Director of Finance and his team and the Council's external auditor be commended for their efforts in producing these accounts.

17. ANNUAL GOVERNANCE STATEMENT 2012/13

Further to Minute No. 9 of the previous meeting held on 27 June 2013, the Audit and Assurance Manager submitted a report providing the final version of the 2012/13 Annual Governance Statement.

The final version was substantially the same as the draft with only a small number of wording amendments in Section 3, under CIPFA (The Chartered Institute of Public Finance and Accountancy) / SOLACE (Society of Local Authority Chief Executives and Senior Managers) principles 1, 2 and 4 to reflect recent developments. The significant governance issues were as reported in the draft Statement.

RESOLVED: That the 2012/13 Annual Governance Statement be approved.

18. REVENUE BUDGET MONITOR

The Committee received, for information, a joint report of the Executive Member for Finance and Director of Finance detailing the outcomes of the monitoring of the Council's revenue budget for the first four months of the financial year which was presented to the Executive on 23 September 2013.

Members of the Committee welcomed the quality of information provided in the report and were assured that the external auditor tracks all budget monitoring reports, in addition to regular meetings with the Director of Finance and the Audit and Assurance Manager.

RESOLVED: That the revenue budget monitoring information for the period April to July 2013, be noted.

19. STRATEGIC RISK REGISTER - 2013/14 QUARTER 2

The Audit and Assurance Manager submitted an update report on the strategic risk environment for quarter two of 2013/14 including the arrangements in place to manage each of the strategic risks.

The report advised that three strategic risks had been added to the Register since the last update to Committee on 20 March 2013 (Minute No. 44 refers) and that six had been removed to be managed at an operational level.

RESOLVED: That the report be noted.

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20. AUDIT AND ASSURANCE REPORT FOR THE PERIOD APRIL TO JUNE 2013 (Q1)

The Audit and Assurance Manager submitted a report summarising the work of Audit and Assurance during the period April to June 2013 and providing ongoing assurance to the Council on the adequacy of its control environment.

RESOLVED: That the report be noted.

21. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2013/14

The Audit and Assurance Manager submitted a report setting out the updated work plan for the Committee for the 2013/14 Municipal Year and outlining the areas to be considered at each of its meetings.

RESOLVED: That, with the inclusion of the Human Resources Records matter raised earlier in relation to the accessing of payroll contracts of employment (Minute 16 refers), the 2013/14 work programme be noted.

The meeting commenced at 6.30 p.m. and finished at 8.27 p.m.