

ACCOUNTS AND AUDIT COMMITTEE

11 FEBRUARY 2014

PRESENT

Councillor M. Whetton (in the Chair).

Councillors C. Boyes, B Brotherton, P. Myers and T. Ross.

In attendance

Director of Finance (Mr. I. Duncan),

Director of Public Health (Mr. A. Rassaq),

Head of Revenues and Benefits (Ms. L. Shaw),

Audit and Assurance Manager (Mr. M. Foster),

Technical Finance Manager (Mr. G. Bentley),

Democratic Services Officer (Mr. I. Cockill).

Also in attendance: Mr. M. Waite, Grant Thornton UK LLP.

APOLOGIES

Apologies for absence were received from Councillors Mrs. L. Evans and J. Baugh.

33. MINUTES

RESOLVED: That the Minutes of the meeting held on 20 November 2013 be approved as a correct record and signed by the Chairman.

34. ANNUAL GOVERNANCE STATEMENT 2012/13 - UPDATE ON SIGNIFICANT GOVERNANCE ISSUE: PUBLIC HEALTH

The Director of Public Health submitted a report providing an update on Public Health following the transfer of responsibility to the Council, which was one of the significant governance issues identified in the 2012/13 Annual Governance Statement for further development through 2013/14. The report included a brief update on the Public Health governance arrangements, the Public Health grant allocation for 2013/14, the review of commissioned services, key updates and the Public Health outcomes framework.

The Director of Public Health responded to Members' questions concerning the mandated Public Health services that the Council had been responsible for since 1 April 2013 and advised how service targets were set and measured. The Committee also noted Trafford's good performance on a wide range of Public Health outcome measures and was advised of its involvement in a Greater Manchester programme of sector led improvement reviews that focused on various key priorities.

The Audit and Assurance Manager assured the Committee that the Audit and Assurance Service had contributed to work at an early stage as part of the Public Health transfer and will be incorporating this area into future audit plans.

RESOLVED: That the report and updates be noted.

35. INSURANCE PERFORMANCE UPDATE REPORT 2013/14

Further to Minute No. 6 of the meeting held on 27 June 2013, the Director of Finance submitted a report providing an update on insurance performance during 2013/14. The report detailed performance in respect of highway claims and other major claims, the new Ministry of Justice Reforms and the implications on the Council and the current budget position.

Members enquired about the current insurance contract that expired in 2014 and received information on the process for tendering the Council's insurance portfolio. A hardening of the insurance market in the last 3 years was likely to see an increase in premium which had been reflected in the 2014/15 budget.

Members also noted the position regarding high value claims which reflected a mix of both highway and other public liability cases that were provided for within the current insurance provision.

RESOLVED: That the report be noted.

36. TREASURY MANAGEMENT STRATEGY 2014/15 - 2016/17

The Executive Member for Finance and the Director of Finance submitted a joint report presenting the expected treasury operations and the prudential indicators for the period 2014/15 – 2016/17. The report also detailed the risks facing local authorities in Treasury Management operations and the measures to minimize these risks.

The Director of Finance advised the Committee of the recommended changes to Categories 2 and 3 of the Investment Criteria. The Director of Finance also reported a proposed £1 million reduction in borrowing in the Capital Programme and as a consequence outlined a number of amendments which would be made to the Treasury Management report before it was presented to the Council meeting.

RESOLVED: That, subject to the changes notified by the Director of Finance at this meeting, the Council be recommended to approve:

- (a) the policy on debt strategy for 2014/15 to 2016/17 as set out in section 3 of the report, with amendments;
- (b) the investment strategy for 2014/15 to 2016/17 as set out in section 5 of the report, with amendments; and
- (c) the Prudential Indicators and limits, including the Authorised Limit and Operational Boundary as required by Section 3(1) of the Local Government Act 2003, Minimum Revenue Provision Statement and Investment Criteria as detailed in Appendix 1 to the report, with amendments.

37. ANNUAL GOVERNANCE STATEMENT 2013/14 - APPROACH / TIMETABLE

The Audit and Assurance Manager submitted a report setting out a proposed action plan and timetable to ensure compliance with the statutory requirement to produce an Annual Governance Statement for 2013/14.

RESOLVED –

- (1) That the action plan and timetable to enable the production of the Annual Governance Statement for 2013/14 be noted.
- (2) That the responsibility for reviewing the robustness of the 2013/14 Annual Governance Statement be delegated to the Chairman, Vice-Chairman and Opposition Spokesperson.

38. CERTIFICATION REPORT 2012/13 FOR TRAFFORD COUNCIL

The Council's External Auditor, Grant Thornton, submitted a report summarising its overall assessment of the Council's management arrangements in respect of the certification process and highlighting a number of matters in relation to individual claims. The report also summarised the key messages from the review.

Members discussed the qualification letters issued for the Teachers' Pension Return and the Housing and Council Tax Benefit Scheme and noted management's action plan in response to the audit findings.

RESOLVED: That the report and the agreed recommendations to address the key messages of the review be noted.

39. AUDIT COMMITTEE UPDATE

The Council's External Auditor, Grant Thornton, submitted a report detailing its planned audit work for the year and its audit fee for 2012/13. The report also drew Member's attention to a number of emerging national issues and developments and also suggested some key considerations for the Committee.

Referring to financial resilience and the national report on the financial health of local government, the Committee recognised that Councils were reaching the 'tipping point' and that the next 2-3 years were going to prove critical.

RESOLVED: That the report be noted.

40. REVENUE BUDGET MONITORING 2013/14 - PERIOD 8 (APRIL TO NOVEMBER 2013)

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 nine months of the financial year which was presented to the Executive on 27 January 2014.

Accounts and Audit Committee
11 February 2014

Further to Minute No. 28 of the previous meeting held on 20 November 2013, Members noted that there was still no positive news regarding business rate appeals, the responsibility for which, including historic cases, had been transferred to local authorities (Section 8 of the report referred). As a result provision for the cost of settlement had been increased in the accounts.

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

41. AUDIT AND ASSURANCE REPORT FOR THE PERIOD OCTOBER TO DECEMBER 2013

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

The Committee acknowledged the irregular feedback from one of the client satisfaction surveys and welcomed improvements in relation to monitoring of income from Section 106 agreements.

RESOLVED: That the report be noted.

42. 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 the remaining meeting.

RESOLVED: That the 2013/14 work programme be noted.

43. EXCLUSION RESOLUTION (REMAINING ITEMS)

RESOLVED: That the public be excluded from this meeting during consideration of the remaining item of business because of the likelihood of disclosure of "exempt information" which falls within Paragraphs 3 and 7 of Schedule 12A of the Local Government Act 1972, as amended.

44. RISK BASED VERIFICATION POLICY: REVENUES AND BENEFITS

The Executive Member for Finance and the Director of Finance submitted a joint report outlining the proposed changes to the verification of Housing Benefit and Council Tax Support claims by introducing a risk based verification scheme.

RESOLVED –

- (1) That a policy of requiring different levels of evidence in support of claims for Housing Benefit and Council Tax Support according to their risk be adopted, as set out in the report.

Accounts and Audit Committee
11 February 2014

- (2) That a new process for new online Housing Benefit and Council Tax Support applications be adopted so that a customer is required to tick an online declaration form rather than a signed paper version.

The meeting commenced at 6.30 p.m. and finished at 8.39 p.m.