

## **ACCOUNTS AND AUDIT COMMITTEE**

**28 MARCH 2017**

### **PRESENT**

Councillor J. Coupe (in the Chair).

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

#### In attendance

Chief Finance Officer

(N. Bishop)

Audit and Assurance Manager

(M. Foster)

Democratic & Scrutiny Officer

(C. Gaffey)

#### Also in attendance

M. Heap, Grant Thornton UK LLP

### **45. MINUTES**

Referring to paragraphs three and four of minute 37, Members advised that they were yet to receive the requested information in relation to the Reshaping Children and Families Programme, as well as the Youth Trust and its ongoing relationship with the Council. Officers agreed to follow this up and provide Members with the required information.

RESOLVED: That the Minutes of the meeting held on 7 February 2017, be approved as a correct record and signed by the Chairman.

### **46. TRAFFORD COUNCIL AUDIT PLAN**

The Council's external auditor, Grant Thornton UK LLP, submitted the Audit Plan for Trafford Council for the year ended 31 March 2017, which outlined its audit strategy and plan to deliver the audit. No significant risks were identified, and the external auditor confirmed that an opinion on the accounts and a Value for Money conclusion would be provided in advance of the 30 September 2017 deadline.

RESOLVED: That the external auditor's Audit Plan for the year ended 31 March 2017, be noted.

### **47. INTERNAL AUDIT OPERATIONAL PLAN 2017/18**

The Committee received a report of the Audit and Assurance Manager providing, at a high level, the proposed Internal Audit Operational Plan for 2017/18. The report detailed how the plan was formulated, and advised of the reporting and performance monitoring process. Contingency time had been included in the plan to allow flexibility in case the service would need to react to unforeseen circumstances.

Members asked questions in relation to school audit reports and how frequently schools were audited. The Audit and Assurance Manager advised that the aim is for schools to be audited approximately every 5 years, however this varies and it was acknowledged that some had not been visited for longer than this but future

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plans take this into account. He agreed to follow up a Member's query to confirm details of any schools that had not been audited in the last six years. It was noted that academy schools did not currently form part of the audit plan; it was up to the academies to request the service from the Local Authority.

Members also discussed reference to Sale Waterside Arts Centre in the Audit Plan, as well as the confidentiality in relation to school audits. The Audit and Assurance Manager reminded Members that the audit process reviewed systems, not people.

RESOLVED: That the 2017/18 Internal Audit Plan be approved.

**48. INTERNAL AUDIT CHARTER AND STRATEGY**

The Committee received a report of the Audit and Assurance Manager providing Members with the Internal Audit Charter and Internal Audit Strategy documents for approval following their recent review. The documents were previously updated in March 2016 and were recently reviewed and updated, in agreement with the Corporate Leadership Team, to reflect a number of changes as outlined in section 2 of the report.

RESOLVED: That the Internal Audit Charter and Strategy be approved.

**49. BUDGET MONITORING 2016/17 - PERIOD 10 (APRIL 2016 TO JANUARY 2017)**

The Committee received a report of the Executive Member for Finance and the Chief Finance Officer informing Members of the current 2016/17 forecast outturn figures relating to both Revenue and Capital budgets. It also summarised the latest forecast position for Council Tax and Business Rates within the Collection Fund. It was noted that the projected underspend was now slightly lower, and that Children's Services had pulled back their projected overspend.

The Chief Finance Officer advised of the additional funds set aside to cover an unprecedented level of business rates appeals. It was noted that over 50% of the borough's business rates base were currently being appealed. A substantial portion of this was due to a large number of appeals by Trafford Centre businesses claiming footfall had been reduced due to the roadworks on the M60. Members were advised of the new appeals process coming into effect from 1 April 2017. The new 'check, challenge and appeal' system should reduce the amount of speculative appeals lodged, and would hopefully ensure that only genuine appeals were considered in future.

The Chief Finance Officer agreed to provide Members with further information in relation to the Carrington lease. The Chief Finance Officer would also provide Members further information in relation to the piece of playing equipment that was due to be built in Moor Nook Park and when this would be installed as requested.

RESOLVED: That the report be noted.

**50. STRATEGIC RISK REGISTER 2016/17 (MARCH 2017 UPDATE)**

The Committee received a report of the Audit and Assurance Manager providing Members with an update on the strategic risk environment, setting out developments relating to the management of each of the Council's strategic risks. It was noted that no risks had been added or removed since the previous update brought to the Committee in November 2016, with the only notable change being the downgrading of the risk in relation to burials within the local area from 'medium' to 'low'. The Audit and Assurance Manager agreed to look into a Member's query in relation to ensuring that all faiths were accommodated correctly in relation to burials. Members also discussed the announcement that the basic need funding received by the Council would reduce to £0 from 2018/19 onwards.

RESOLVED: That the report be noted.

**51. RISK MANAGEMENT POLICY STATEMENT AND STRATEGY**

The Committee received a report of the Audit and Assurance Manager detailing the recent review of the Council's Risk Management Policy Statement and Strategy. The Policy Statement set out the Authority's overall position regarding its approach to risk management, whilst the Strategy document set out, in detail, the expected arrangements to be in place to ensure there are adequate risk management processes across the Council.

RESOLVED: That the Council's Risk Management Policy Statement and Strategy be approved.

**52. ANTI-FRAUD AND CORRUPTION STRATEGY, POLICY AND SUPPORTING GUIDANCE**

The Committee received a report of the Audit and Assurance Manager providing Members with the Council's revised Anti-Fraud and Corruption Strategy, Policy and supporting guidance. Further work would take place over the coming year to ensure other policies were up to date. It was noted that updates on fraud would continue to be included as part of the Committee's work programme.

Members discussed employee fraud and how this covered all the relationships an individual may have with the Council. Members also discussed how employees were assessed when the Council became aware that they had committed a crime.

RESOLVED: That the revised Anti-Fraud and Corruption Strategy, Policy and supporting guidance, be approved.

**53. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2016/17**

The Committee received a report of the Audit and Assurance Manager setting out the updated work plan for the Committee for the 2016/17 municipal year. It was noted that the 2016/17 work programme had now been completed, and the update from the STAR Procurement Service which was deferred earlier in the year would be added to next year's programme.

RESOLVED: That the report be noted.

**54. ACKNOWLEDGEMENTS**

Members of the Committee thanked the Chairman for his work over the year, and wished him well in his new role as the Mayor of Trafford for the coming municipal year.

The meeting commenced at 6.30 pm and finished at 7.35 pm