

ACCOUNTS AND AUDIT COMMITTEE

10 JULY 2017

PRESENT

Councillor N. Evans (in the Chair).

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

Also Present

Cllr P. Myers, Executive Member for Corporate Resources

In attendance

Head of Financial Management	(G. Bentley)
Interim Head of ICT Services	(J. Callan)
Audit and Assurance Manager	(M. Foster)
Democratic & Scrutiny Officer	(C. Gaffey)

Also in attendance

M. Heap, Grant Thornton UK LLP

APOLOGIES

Apologies for absence were received from Councillors P. Lally

1. MINUTES

RESOLVED: That the Minutes of the meeting held on 28 March 2017, be approved as a correct record and signed by the Chairman.

2. MEMBERSHIP OF THE COMMITTEE 2017/18, INCLUDING CHAIRMAN, VICE-CHAIRMAN AND OPPOSITION SPOKESPERSON

RESOLVED: That the Membership of the Committee for the 2017/18 Municipal Year, as appointed at the Annual Meeting of the Council held on 24 May 2017 and set out below, be noted:

Councillors Baugh, Boyes (Vice-Chairman), Brotherton (Opposition Spokesperson), N. Evans (Chairman), Lally, Mitchell and Wright.

3. TERMS OF REFERENCE

RESOLVED: That the Committee's Terms of Reference, as agreed at the Annual Meeting of the Council held on 24 May 2017, be noted.

4. CYBER SECURITY UPDATE

The Committee received a presentation of the Interim Head of ICT Services providing an update on the Council's cyber security systems and procedures. The presentation provided details of the recent high profile attacks reported in the UK, and highlighted the root causes of most cyber-attacks.

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The Committee was reminded that there wasn't a 'one silver bullet' approach that could guarantee safety in relation to cyber security, but Members were advised of the 'Defence in Depth' strategy adopted by Trafford. This utilised Trafford Council staff as the first line of defence, providing them with a programme of continuous user education. Other techniques involved having clear data and device usage policies, maintaining the enforcement of encryption, and ensuring that all software was current and up to date.

The Interim Head of ICT Services answered several questions from Members in relation to network access from mobile devices, phishing techniques, and penetration testing. Members were advised that no portable programmes could be installed on Trafford Council devices, and work was ongoing on developing a data breach 'playbook'.

RESOLVED: That the presentation be noted.

5. BUDGET MONITORING 2016/17 - PERIOD 12 OUTTURN (APRIL 2016 TO MARCH 2017)

The Committee received a joint report of the Executive Member for Corporate Resources and the Chief Finance Officer informing Members of the 2016/17 draft outturn figures relating to both Revenue and Capital budgets, and the level of General and Service Reserves. The report also summarised the final unaudited position for Council Tax and Business Rates within the Collection Fund. Members were advised that the budget monitor reports were now bi-monthly, and work was ongoing on aligning the monitors with the Accounts & Audit Committee meetings.

Members discussed the current level of Business Rates appeals under the new check, challenge and appeal system adopted in April 2017. The Finance Team would be seeking evidence to ascertain whether the new system had affected the rate of appeals lodged.

The Head of Financial Management agreed to provide Members with information concerning the underspend in the Public Health and the Early Help Hub budgets.

RESOLVED:

- a) That the pre-audited revenue budget outturn be noted;
- b) That the levels of General & Service Reserves and Collection Fund balances and commitments are noted and confirmed;
- c) That the outturn position on the Capital Programme and Prudential Indicators be noted.

6. TREASURY MANAGEMENT ANNUAL PERFORMANCE REPORT 2016/17

The Committee received a joint report of the Executive Member for Corporate Resources and the Chief Finance Officer, outlining the treasury management activities undertaken during 2016/17.

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Following a question from a Member regarding the recent allegations concerning the funding of terrorism by Qatar, Members were advised that a decision had been taken to cease all investments with Qatar National Bank going forward. All of Trafford's current investments with the Bank would be repaid by 21 August 2017.

RESOLVED: That the Accounts & Audit Committee advise the Council:

1. of the Treasury Management activities undertaken in 2016/17;
2. that no prudential limits were breached during 2016/17; and
3. that there was full compliance with both the CIPFA Code of Practice on Treasury Management and CIPFA Prudential Code for Capital Finance.

7. ANNUAL REPORT OF THE HEAD OF INTERNAL AUDIT 2016/17

The Committee received a report of the Audit and Assurance Manager providing an opinion on the standard of internal controls during 2016/17, as well as providing a summary of the work of the Audit and Assurance Service during 2016/17.

In response to a question on section 4.4.6 of the report concerning Bollin Primary School, the Audit and Assurance Manager advised that an initial draft findings report was currently with the school, and that a final report would be issued and shared with senior officers and Members once available.

RESOLVED: That the report be noted.

8. ACCOUNTS AND AUDIT COMMITTEE PROGRESS REPORT

The Committee received a report from Grant Thornton UK LLP on the progress at June 2017 in delivering its responsibilities as the Authority's external auditor. All Value for Money targets were expected to be met, and a letter detailing the planned annual audit fee for 2017/18 was presented to the Committee. The fee was independently set and remained at the same amount as the previous years'.

The Chairman requested that a training session on the Council's Annual Accounts be provided to Committee Members. The Head of Financial Management would canvass Members for prospective dates with the aim of scheduling the session before the end of July.

RESOLVED: That the report be noted.

9. CORPORATE GOVERNANCE CODE (UPDATED JUNE 2017)

The Committee received a report of the Audit and Assurance Manager setting out the proposed updated Corporate Governance Code which had been reviewed by the Corporate Leadership Team. It was noted that Trafford Council's Code of Corporate Governance was consistent with the principles of the CIPFA / SOLACE Framework. The Council's Annual Governance Statement was prepared every

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year reflecting an annual review against the commitments set out in the Council's Corporate Governance Code.

RESOLVED: That the updated Corporate Governance Code be approved.

10. DRAFT ANNUAL GOVERNANCE STATEMENT - 2016/17

The Committee received a report of the Audit and Assurance Manager setting out the Draft 2016/17 Annual Governance Statement (AGS). Members were asked to contact the Audit and Assurance Manager with any comments they may have on the draft AGS by Thursday 25 July, 2017. The final version of the Statement would be signed by the Leader of the Council and the Chief Executive, before being brought back to the Committee for their approval at the meeting scheduled for 6 September, 2017.

RESOLVED: That the report be noted.

11. ACCOUNTS AND AUDIT COMMITTEE ANNUAL REPORT TO COUNCIL - 2016/17

The Committee received a joint report of the 2016/17 Accounts and Audit Committee Chairman and Vice-Chairman, setting out the 2016/17 Annual Report of the Accounts and Audit Committee to be submitted to Council.

RESOLVED: That the report be noted.

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

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

RESOLVED: That the 2017/18 work programme be approved.

The meeting commenced at 6.30 pm and finished at 8.00 pm