

ACCOUNTS AND AUDIT COMMITTEE

6 SEPTEMBER 2017

PRESENT

Councillor N. Evans (in the Chair).

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

Also Present

Councillor M. Cordingley

In attendance

Chief Finance Officer	(N. Bishop)
Director of STAR Procurement	(L. Cox)
Head of Financial Management	(G. Bentley)
Audit and Assurance Manager	(M. Foster)
Finance Manager	(D. Muggeridge)
Counter Fraud and Enforcement Manager	(D. Wright)
Democratic & Scrutiny Officer	(C. Gaffey)

Also in attendance

M. Heap, Grant Thornton UK LLP

H. Stevenson, Grant Thornton UK LLP

13. MINUTES

RESOLVED: That the Minutes of the meeting held on 10 July 2017, be approved as a correct record and signed by the Chairman.

14. STAR PROCUREMENT UPDATE

The Committee received a presentation of the Director of STAR Procurement providing an update on STAR activities. The presentation provided Members with information on STAR's Business Plan, their Key Work Streams, and the planned audits for 2017/18.

Members asked several questions in relation to the Spend Local scheme and how STAR would ensure the correct balance was struck between localism and securing value for money. The Director of STAR Procurement would be happy to share details of the local investment scheme in Rochdale with the Committee in 12 months' time. Members also discussed Social Value as part of procurement process and STAR's aspiration of raising this from the current level of 8 per cent to the AGMA recommended level of 20 per cent.

Members discussed how STAR's services were currently promoted, and discussed the recent event held by STAR at Altrincham. The Committee also discussed the importance of social media in promoting the service, and Members were invited to provide their input on how this could be improved.

RESOLVED: That the presentation be noted.

15. COUNTER FRAUD AND ENFORCEMENT TEAM: 2016/17 ANNUAL REPORT

The Committee received a report of the Counter Fraud and Enforcement Manager outlining the Councils' fraud prevention and detection performance and activities in 2016/17, as well as the team's plans for 2017/18. With a team consisting of 7 members of staff, a significant amount of the work now involved ensuring companies paid the correct amount of business rates. Table 5 of the report provided Members with information on the income generated by the team in 2016/17, which totalled £635k, well above the set target of £250k.

Members discussed the Fraud and Enforcement Team's current capacity and whether a larger team would generate more income. The Committee also discussed tax liabilities, as well as recovery rates, which stood at approximately 80 per cent in some areas.

The Committee congratulated the Team on their success.

RESOLVED: That the report be noted.

16. INSURANCE PERFORMANCE REPORT 2016/17

The Committee received a report of the Chief Finance Officer providing a summary of insurance performance for 2016/17. The report provided Members with information on the gross insurance activity, the provision for outstanding liability claims, and the number of claims made during 2016/17. It was noted that the Authority had achieved a £31k saving on its premiums following negotiations with the insurers.

It was noted that the costs of repairing damage to council highway assets were claimed from third parties where possible. Members discussed the Council's level of insurance claims compared to other Authorities. The Committee also discussed whether investing more in the road network could reduce the amount of highways related insurance claims but were advised that the main factor in defending any claim was to ensure a rigorous highway inspection regime was maintained.

RESOLVED: That the report be noted.

17. EXTERNAL AUDIT 2016/17 FINDINGS REPORT

The Committee received a report of Trafford's External Auditor, Grant Thornton LLP, highlighting the key matters arising from their audit of Trafford Council's financial statements for the year ending 31 March 2017.

The report highlighted audit findings against significant risks, accounting policies, estimates and judgements, internal controls, misclassifications and disclosure changes. It was anticipated that an unqualified opinion in respect of the financial statements would be provided well in advance of the 30 September, 2017 deadline.

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The external auditor assessed the accounts as being prepared to a good standard and no significant adjustments had been made regarding the financial position. The Committee were also provided with the Value for Money conclusion, and the External Auditor was satisfied that the Council had the correct processes in place to deal with the ongoing financial pressures faced. The audit fees were brought to the Committee's attention.

The Committee congratulated the External Auditor on their work, and Members discussed the challenge faced next year following the introduction of the new, earlier deadline for producing their findings report. The External Auditor agreed it would be challenging, however they were confident that with the continuation of the joint working and planning with the Authority's teams, the new deadline would be met.

RESOLVED: That the report be noted.

18. ANNUAL GOVERNANCE STATEMENT - 2016/17

The Committee received a report of the Audit and Assurance Manager providing the final version of the 2016/17 Annual Governance Statement (AGS), which had been signed by the Leader and the Chief Executive. No changes had been made to the draft 2016/17 AGS presented to the Committee on 10 July, 2017.

A Member of the Committee requested further information in relation to the 13 projects recommended for closure, referred to on page 50 of the agenda. Another Committee Member requested further information in relation to the Locality Partnerships, referred to on page 52 of the agenda. The Audit and Assurance Manager agreed to provide this information following the meeting.

RESOLVED: That the 2016/17 Annual Governance Statement be approved.

**19. APPROVAL OF THE ANNUAL STATEMENT OF ACCOUNTS 2016/17
(ACCOUNTS 2017)**

The Committee received a report of the Chief Finance Officer providing the redrafted Final Accounts for 2016/17, accommodating changes agreed with the Council's external auditor, Grant Thornton. As the audit was yet to be concluded, Members were asked to review and note the Accounts as they currently stood.

The Committee thanked the Finance Team for their efforts in preparing the 2016/17 Accounts, as well as for the training recently provided to Committee Members.

RESOLVED:

- 1) That the Accounts be noted as they currently stood.
- 2) That the approval of the Final Accounts for 2016/17 be delegated to the Chairman of Accounts and Audit Committee and the Chief Finance Officer,

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with approval required on or before the statutory deadline of 30 September 2017.

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

The Committee received a report of the Audit and Assurance Manager setting out the work plan for the Committee for the 2017/18 municipal year. It was noted that one item had been added to the work programme, which was a training and development opportunity for Committee Members. The Audit and Assurance Manager would contact Members to discuss this in due course.

RESOLVED: That the report be noted.

21. PART I: AUDIT AND ASSURANCE REPORT FOR THE PERIOD APRIL TO JUNE 2017

The Committee received a report of the Audit and Assurance Manager providing a summary of the work of Audit and Assurance during the period April to June 2017. The report also provided ongoing assurance to the Council on the adequacy of its control environment. The Audit and Assurance Manager highlighted the main areas of focus, as well as discussing the impact of the audit work already completed. Members were also advised of the planned work for the second quarter of 2017/18.

RESOLVED: That the report be noted.

22. EXCLUSION RESOLUTION

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 Paragraph 7 of schedule 12A of the Local Government Act 1972, as amended.

23. PART II: AUDIT AND ASSURANCE REPORT FOR THE PERIOD APRIL TO JUNE 2017

The Committee received a report of the Audit and Assurance Manager providing information in respect of investigation work undertaken during Quarter 1 of 2017/18.

RESOLVED: That the report be noted.

The meeting commenced at 6.32 pm and finished at 8.15 pm