

## **ACCOUNTS AND AUDIT COMMITTEE**

**26 MARCH 2019**

### **PRESENT**

Councillors B. Brotherton (in the Chair), Lally, Mitchell, Patel and Slater; and Ms. J. Platt (Independent Member).

### **IN ATTENDANCE**

Deputy Director of Finance (G. Bentley),  
Audit and Assurance Manager (M. Foster),  
Director of Procurement (L. Cox) (item 42),  
Chief Digital Officer (P. James) (items 42 and 43),  
Democratic and Scrutiny Officer (J.M.J. Maloney).

### **ALSO IN ATTENDANCE**

Mr. T. Rooney (Mazars).

### **APOLOGIES**

Apologies for absence were received from Councillors C. Boyes and J. Dillon.

### **39. ATTENDANCES**

### **40. QUESTIONS FROM MEMBERS OF THE PUBLIC**

It was reported that no questions had been received for referral to this meeting.

### **41. MINUTES**

RESOLVED – That the Minutes of the meeting held on 6<sup>th</sup> February 2019 be approved as a correct record and signed by the Chair.

### **42. PROCUREMENT UPDATE - PRESENTATION FROM STAR**

The Director of Procurement delivered a presentation which set out for the Committee's information key details of the achievements to date, priorities and future aims of the STAR procurement service. Emphasis was laid on financial performance and savings, manageable growth whilst safeguarding the interests of founder members, the intention to enhance local spend, and the aim to maximise social value in respect of awarded contracts.

An opportunity was provided for Members to raise questions on the presentation's content. These focussed on: key areas for delivering social value; promotion and publicity for the STAR offer; arrangements to secure compliance with contract terms; and the overall benefits delivered by the shared procurement approach. In discussion, it was agreed that Members would be provided with a range of STAR strategy documents and a list of the 38 social value indicators; and that it would be helpful for a further update to be made to the Committee later in the year, with particular reference to performance against social value delivery targets.

RESOLVED –

- (1) That the content of the presentation be noted.
- (2) That a further update be provided for the Committee later in the year.

### **43. CYBER SECURITY UPDATE - PRESENTATION**

The Chief Digital Officer was in attendance to deliver a presentation to Members setting out the background to effective cyber security, and its applicability to the Trafford context. Stress was laid on the key principles of education, technical defences, effective processes and responses which learned lessons from threats experienced. Whilst the Council's arrangements were deemed broadly to be robust in the context of a high threat level, it was acknowledged that in this area there would invariably be tension between issues of stability, flexibility, costs and proportionality. In discussion, Members raised a number of issues, including: specific measures possible to guard against cyber attacks; disaster recovery plans; the interrelationship between the need for security and the flexibility of the Council's IT "offer", and the availability of out-of-hours reporting facilities. In discussion, it was agreed that it would be helpful for the Committee to be provided with a further update, in approximately six months, on the development of action plans, with specific reference to disaster recovery mechanisms.

RESOLVED –

- (1) That the content of the presentation be noted.
- (2) That a further update on action plans be provided to the Committee in due course.

### **44. TRAFFORD COUNCIL AUDIT UPDATE REPORT**

Mr. T. Rooney (Mazars) was in attendance to introduce the external auditor's latest progress update on its delivery of its audit responsibilities as at March 2019. It was noted that work was currently on track; and that there were currently no significant matters which required reporting at this stage. As part of the update, Members' attention was drawn to a range of national publication which were deemed to be potentially of interest to the Committee in undertaking its work.

RESOLVED – That the content of the report be noted.

**45. INTERNAL AUDIT CHARTER AND STRATEGY**

The Audit and Assurance Manager submitted a report which presented for approval the Internal Audit Charter and Internal Audit Strategy documents following their recent review. Members were advised that the Internal Audit Charter and Strategy had previously been updated in March 2018 and had recently been reviewed further and updated to reflect recent service changes during 2018/19. The proposed amendments to be made to the Charter and Strategy were specifically drawn to the Committee's attention in the report.

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

**46. INTERNAL AUDIT PLAN 2019/20**

The Audit and Assurance Manager submitted a report which presented for approval the proposed Internal Audit Operational Plan for 2019/20. The plan document set out key areas of focus across all principal areas of internal audit coverage. In response to a question, the Committee was advised of the principles governing the frequency of audit inspections of schools.

RESOLVED – That the 2019/20 Internal Audit Plan be approved.

**47. STRATEGIC RISK REGISTER**

The Audit and Assurance Manager presented a report which provided an update on the strategic risk environment, setting out developments relating to the management of each of the Council's strategic risks. An opportunity was provided for Members to raise questions on the report's content; these focussed on the deletion of the risk relating to the integration of Trafford Council and Trafford CCG. In discussion, a suggestion was noted that future meetings of the Committee might review specified individual risk areas in greater detail.

RESOLVED – That the content of the report be noted.

**48. BUDGET MONITORING REPORT 2018/19 - PERIOD 10**

The Deputy Director of Finance introduced a report of the Executive Member for Finance and the Corporate Director of Finance and Systems which informed Members of the current 2018/19 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. Members were advised that the report had been presented to the Executive at its March meeting; and their attention was drawn to significant current variances and the factors underlying them. An update was provided on progress on the Council's savings programme, and on expenditure from the Transformation Fund.

RESOLVED – That the content of the report be noted.

**49. ACCOUNTING CONCEPTS AND POLICIES**

The Deputy Director of Finance introduced a report of the Executive Member for Finance and the Corporate Director of Finance and Systems which explained the accounting concepts and policies which would be used in preparing the 2018/19 annual accounts. Members noted that the two most significant changes, stemming from updates to International Financial Reporting Standards (IFRS), related to the treatment of Financial Instruments (IFRS9) and the presentation of Revenue from Contracts with Customers (IFRS 15). In respect of IFRS9, this would impact on the valuation basis of a number of financial assets (e.g. treasury management investments, loans to third parties and any equity shareholdings) and how any changes in future valuations would be accounted for.

RESOLVED – That approval be given to the accounting concepts and policies that would be used in completing the 2018/19 annual accounts.

**50. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME 2018/19**

The Audit and Assurance Manager presented a report which provided an overview of progress against the Committee's work plan for 2018/19, and a summary of the broad areas reviewed at each of the Committee's meetings during the year. It was noted that a report was to be made to Council later in the year.

RESOLVED – That the content of the report be noted.

The meeting commenced at 6.30 p.m. and finished at 8.14 p.m.