

ACCOUNTS AND AUDIT COMMITTEE

5 FEBRUARY 2020

PRESENT

Councillors B. Brotherton (in the Chair), C. Boyes, G. Coggins, J. Lloyd, A. Mitchell and B. Winstanley; and Mrs. J. Platt (Independent Member).

IN ATTENDANCE

Deputy Director of Finance (G. Bentley),
Audit and Assurance Manager (M. Foster),
Director of Procurement (L. Cox) (part only),
Head of Governance (D. Sykes) (part only),
Finance Manager (F. Fallon),
Finance Manager (N. Rylands),
Governance Officer (J.M.J. Maloney).

ALSO IN ATTENDANCE

Mr. T. Rooney (Mazars).

APOLOGIES

Apologies for absence were received from Councillors J. Dillon, A. Duffield and P. Lally.

35. QUESTIONS FROM MEMBERS OF THE PUBLIC

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

36. MINUTES

RESOLVED – That the Minutes of the Meeting held on 30th October 2019 be approved as a correct record and signed by the Chair.

37. PROCUREMENT UPDATE - PRESENTATION BY STAR

Lorraine Cox, Director of Procurement, was in attendance to provide Members with a presentation which covered aspects of STAR Procurement's activities, achievements and future plans. Particular emphasis was laid on work being undertaken to maximise social value achieved through procurement, and the teams' efforts in securing compliance in contracting, which was of particular interest to this Committee. An opportunity was provided for Members to raise questions on the presentation's content. These focussed on the nature of the TOMS social value criteria (further details of which were available to Members on request), the approach used by the STAR team to enhance contracting compliance, and further analysis of the monetary value percentage of contracts awarded to local businesses. It was agreed that further details would be supplied outside the meeting.

RESOLVED – That the content of the presentation be noted.

38. ANNUAL GOVERNANCE STATEMENT 2019/20: APPROACH AND TIMETABLE

The Interim Head of Governance submitted a report which set out the action plan / timetable to ensure compliance with the production of an Annual Governance Statement for 2019/20. Members were advised that in due course the Committee would have input to reviewing a draft version of the Statement prior to it being finalised and signed off by the Chief Executive and Leader of the Council.

RESOLVED –

- (1) That the timetable / action plan be noted.
- (2) That it be noted that the Committee will have input to reviewing a draft version of the Annual Governance Statement prior to it being finalised and signed off by the Chief Executive and Leader.

39. TREASURY MANAGEMENT STRATEGY 2020/21 - 2022/23

The Executive Member for Finance and Investment and the Corporate Director of Finance and Systems submitted a report presenting for the Committee's consideration the key features of, and processes associated with the operation of, the proposed Treasury Management Strategy from 2020/21 onwards, for recommendation to Council. An opportunity was provided for Members to raise questions in relation to the report's content. These centred on: the extent to which global factors affecting the economy impacted on the assessment of investment risk and returns; the current and proposed operational boundary on external debt financing for asset investments; the extent of the Council's ownership and expected rate of return in respect of certain specific assets; and the extent to which the Strategy might be employed to facilitate a range of outcomes, including in relation to equalities and diversity aspirations. It was agreed that the officers would discuss the latter point further with Members outside the meeting.

RESOLVED –

- (1) That it be recommended that the Executive note the report.
- (2) That it be recommended that Council approve the Treasury Management Strategy 2020/21 – 2022/23 including the:
 - policy on debt strategy as set out in section 3 of the report;
 - investment strategy as set out in section 5 of the report;
 - Prudential Indicators and limits including the Authorised Limit (as required by section 3(1) of the Local Government Act 2003), Operational Boundary, Minimum Revenue Provision Statement and Investment criteria as detailed in Appendix 3 of the report.

40. AUDIT STRATEGY MEMORANDUM - YEAR ENDING 31 MARCH 2020

On behalf of the Council's External Auditor, Tommy Rooney was in attendance to introduce the key features of the Audit Strategy Memorandum now presented for Members' information. In discussion, it was noted that it was unlikely that the current risk assessment in relation to the OFSTEd inspection of Children's Social Care would change pending a further assessment by the regulator. Questions were also raised regarding the input by the expert valuers appointed by the Council in respect of a range of assets, and the extent to which the auditor took an independent view of expert opinions received.

RESOLVED – That the content of the Audit Strategy Memorandum be noted.

41. EXTERNAL AUDIT PROGRESS REPORT JANUARY 2020

On behalf of the Council's External Auditor, Tommy Rooney was in attendance to introduce their Audit Progress Report as at January 2020, it being noted that external audit staff were currently on site in connection with their planned work. The report also set out, as usual, details of a selection of national publications which were potentially of use to the Committee in undertaking its responsibilities.

RESOLVED – That the content of the progress report be noted.

42. AUDIT AND ASSURANCE REPORT FOR THE PERIOD SEPTEMBER TO DECEMBER 2019

The Audit and Assurance Manager submitted a report which provided a summary of the work of the Council's internal Audit and Assurance service during the period September to December 2019, and which sought to provide ongoing assurance to the Council on the adequacy of its control environment. Attention was drawn to the identified issue of software licensing, and also to the high proportions of accepted and implemented recommendations during the period. A current shortfall in audit days was expected to be remedied by the end of the audit year by the appointment of a number of staff to fill in-year vacancies arising.

RESOLVED – That the content of the report be noted.

43. BUDGET MONITORING REPORT: PERIOD 8 2019/20

The Executive Member for Finance and Investment and the Corporate Director of Finance and Systems submitted a report which informed Members of the current 2019/20 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' attention was drawn in particular to the agreed Capital virement to support the Disabled Facilities Grant budget, and to key elements of the current net budget variances.

RESOLVED –

- (1) That the report and the changes to the Capital Programme and Asset Investment Fund as detailed in paragraphs 21 and 29 be noted.

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- (2) That the virement be noted of £432,000 from within the Capital Programme to the Disabled Facilities Grant budget to help support the expenditure pressures in this area.
- (3) That the movements in reserves set out in paragraph 10 of the report be noted.

44. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2019/20

The Audit and Assurance Manager submitted a report which set out progress to date against the work plan for the Committee for the 2019/20 municipal year. In reviewing the programme Members were advised that, in order to take account of current developments, the update on the Information Governance element of the Strategic Risk Register would now be brought to the Committee's March meeting. In respect of the Grant Claims item listed on the programme, the Committee was advised that the most significant element related to the Housing Benefit Subsidy claim; the auditors had now issued their report on this claim and identified no significant adverse findings.

RESOLVED – That the content of the report be noted.

The meeting commenced at 6.30 p.m. and finished at 8.08 p.m.