

ACCOUNTS AND AUDIT COMMITTEE

2 FEBRUARY 2022

PRESENT

Councillor B. Brotherton (in the Chair).

Councillors C. Boyes, G. Carter, W. Hassan, D. Jerrome, J. Lloyd (Vice-Chair) and R. Thompson; and Mrs. J. Platt.

In attendance

Director of Finance and Systems (Mr. G. Bentley),
Audit and Assurance Manager (Mr. M. Foster),
Director of Procurement (Ms. L. Cox) (part only),
Governance Officer (Mr. J.M.J. Maloney).

Also In Attendance

Ms. K. Murray (Mazars).

APOLOGIES

Apologies for absence were received from Councillor M. Cordingley.

38. QUESTIONS FROM MEMBERS OF THE PUBLIC

It was noted that no questions had been received for consideration at the current meeting.

39. DECLARATIONS OF INTEREST

No declarations were made by Members of the Committee in relation to any item on the agenda.

40. MINUTES

RESOLVED – That the Minutes of the meeting held on 25th November, 2021 be approved as a correct record and signed by the Chair.

41. STAR PROCUREMENT UPDATE

The Director of Procurement was in attendance to deliver a presentation on behalf of the STAR procurement service, focussing in particular on the service's achievements during the past year and business plan and objectives for the period until 2024. The presentation drew particular attention to savings delivered, achievement of social value, volumes of spend achieved within the borough or immediate locality, and the expectation of new regulations covering procurement, with a likely implementation date in 2023.

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An opportunity was provided for Members to raise questions, which centred on sustainability aspects of procurement, benchmarking against other comparators, and issues relating to the nature and delivery of, and compliance with, social value targets. On the latter, it was agreed that details of the current measures be circulated to the Committee for information and, when completed, the Trafford-specific measures which were currently in development. It was noted that the next update to the Committee would include a focus on the specific measures, outputs and delivery against them, as well as an update on the impact of incoming Regulations.

RESOLVED – That the content of the presentation be noted.

42. EXTERNAL AUDITOR'S ANNUAL REPORT 2020/21

Karen Murray was in attendance on behalf of the Council's external auditor, Mazars, to draw Members' attention to key features of their Annual Report on Trafford covering the financial year 2020/21. The report covered a number of principal areas of the auditors' activities, including the audit of the Council's financial statements, commentary on the Council's arrangements to secure value for money, and issues relating to their reporting responsibilities and fees. An unqualified opinion had been issued on the accounts, which had been prepared to a high standard. The Value for Money assessment was in a new format, following a change in the National Audit Office's Code. The auditor wished to draw attention to the fact that there existed significant challenges to the Council's financial position, arising from demand-led pressures, cost increases, the ongoing impact of the Covid-19 pandemic, and the provision of a single year financial settlement by Government. The reliance placed on reserves in recent years would not continue to be sustainable into the medium term.

Members raised questions in relation to the report's content, centring on the impact of investment to secure ongoing future savings, the consequences of OFSTED's assessment in relation to Children's Services, and the accuracy of assumptions in relation to a number of cost pressure factors.

RESOLVED – That the content of the report be noted.

43. TREASURY MANAGEMENT ANNUAL STRATEGY REPORT

The Executive Member for Finance and Governance and the Director of Finance and Systems submitted a report which outlined key features of the proposed strategy for the period in question, including in particular: the strategy to be implemented during the period for investments and borrowing; the outlook for interest rates; the management of associated risks; the policy to be adopted on Minimum Revenue Provision (MRP); and Prudential Indicators. It was noted that the report was to be considered by the Executive and Council at their Budget Meetings on 16th February 2022.

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In discussion, Members were advised of Government's intention to impose greater restrictions in respect of MRP on loan investments. Clarification was also sought, and provided, on the nature of security provided for the Council's shorter-term investment loans, and the possible impact of the expected increase in interest rates.

RESOLVED – That the content of the report be noted and that it be recommended to the Executive.

44. BUDGET MONITORING 2021/22 - PERIOD 8 (APRIL TO NOVEMBER 2021)

The Executive Member for Finance and Governance and the Director of Finance and Systems submitted a report which informed Members of the current 2021/22 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 report, which disclosed a favourable variance since the previous monitor, had been referred to and considered by the Executive at its meeting on 24th January, 2022.

The Director of Finance and Systems gave details of the key factors which had contributed to a significant favourable variance since the previous reports. An opportunity was provided for Members to raise comments on the report's content. These focussed on expectations in respect of the airport dividend, and business loans made to the same party, and the challenges of making ongoing savings, especially in the context of single-year financial settlements.

RESOLVED – That the updated positions on the revenue budget, collection fund and capital programme be noted.

45. AUDIT AND ASSURANCE REPORT FOR THE PERIOD NOVEMBER TO DECEMBER 2021

The Audit and Assurance Manager submitted a report which provided a summary of the work of Audit and Assurance during the period above; and sought to provide ongoing assurance to the Council on the adequacy of its control environment. Members were advised on the current position in respect of report output, responses to recommendations, and positive follow-up of previous reports; and detail was provided on the service's support for the National Fraud Initiative, and a wide-ranging questionnaire issued to schools.

RESOLVED – That the content of the report be noted.

46. ACCOUNTS AND AUDIT COMMITTEE WORK PROGRAMME 2021/22

The Audit and Assurance Manager submitted a report which set out the work plan for the Committee for the 2021/22 municipal year. It outlined areas to be considered by the Committee at each of its meetings over the period of the year. It would help to ensure that the Committee met its responsibilities under its terms of reference and maintained focus on key issues and priorities as defined by the Committee. The programme was designed to be flexible and could have items added or rescheduled if this ensured that the Committee best met. In this context, the STAR presentation had been included on the current agenda, and the Committee would receive an update on cyber security at its March meeting.

RESOLVED – That the content of the 2021/22 work programme be noted.

The meeting commenced at 6.30 p.m. and finished at 8.09 p.m.