

ACCOUNTS AND AUDIT COMMITTEE

21 JUNE 2023

PRESENT

Councillors: Brotherton (Chair), Lloyd (Vice Chair), Axford, Brophy, Cordingley, Jerrome, Baskerville.

In attendance

Karen Murray	External Auditors, Mazars
Dave Muggeridge	Head of Financial Management
Mark Foster	Audit and Assurance Manager
Frank Fallon	Finance Manager
Jeannie Platt	Independent Member
Stephanie Ferraioli	Governance Officer

1. NOMINATION OF CHAIR

The Committee was happy to welcome back Councillor Brotherton and Lloyd in the Chair and Vice Chair posts respectively.

2. COMMITTEE MEMBERSHIP

The Chair welcomed new Members, Councillors Axford, Brophy, Cordingley and Baskerville to the Committee.

3. ATTENDANCES

An apology for absence was received from Councillor Carter and Whetton.

4. DECLARATION OF INTEREST

There was no declaration of interest in relation to any of the items on today's agenda.

5. MINUTES

Resolved – That the minutes of 14th March 2023 be noted as a true and correct record.

6. QUESTIONS FROM MEMBERS OF THE PUBLIC

No questions were received from members of the public.

7. EXTERNAL AUDIT PROGRESS

The External Auditor Mrs Murray informed the Committee that this would be her last meeting representing the Auditors Mazars and that her colleague Mr Newall will attend future meetings. There is a legal requirement she continued, to change representative every five years and although she has been working with the Committee for the last three years, she has actually been working with Trafford Council's Finance team via a different company for the previous two years also and therefore in order to maintain impartiality and transparency, Mr Alistair Newall will take over going forward to present the 2022/23 Audit.

RESOLVED – That the change in personnel be noted.

8. 2022/23 DRAFT ANNUAL GOVERNANCE STATEMENT

The Draft Annual Governance Statement was presented by the Governance Officer who reminded the Committee this is the statement that each year is submitted to demonstrate the Governance Framework. Split in three parts, the first of which looks at the work that is done across the framework to meet the standards, the second part refers to the review of how the Council has rated against significant Governance issues against previous annual governance statements and the third part outlines the significant governance issues for the next financial year.

In the executive summary changes in the leadership are highlighted, such as Councillor Western now an MP and Councillor Ross now the Leader of Trafford Council; for the Health organisation the dissolution of the CCG and the birth of the Integrated Care Board, with Sara Todd Trafford Council's Chief Executive now being the Place Base Lead for Trafford.. Also highlighted is the Ofsted report showing that Trafford is no longer in special measures.

Cllr Lloyd enquired about the contingency plans for potential future pandemics and was informed that with developments within the public health team. Trafford should be in a better position to identify and mitigate any future issues that may present.

Councillor Jerrome stated that it was crucial to keep the AMEY contract review discussions on track and was informed that this was now being presented to Scrutiny Committee in July and then to Executive in the same month.

RESOLVED – That the report be noted.

9. 2022/23 REVENUE BUDGET MONITORING OUTTURN AND CAPITAL INVESTMENT PROGRAMME OUTTURN REPORTS

The Head of Financial Management presented the Monitoring Outturn 2022/23 which took into account feedback received regards its format.

The Chair confirmed that he found the new layout to be clearer. He then enquired about the position regards business rates at the Trafford Centre and was informed that there have been some signs of recovery almost to the pre-covid period status. The timing is the issue with some of the retailers going live in terms of the rateable value only from last May, they are on the system but cannot be accrued until the appropriate time.

Councillor Brophy queried the staffing recruitment issues raised and it was noted that Trafford is not the only Council facing this particular challenge as all public sectors are facing the same problems in attracting and retaining staff.

Councillor Lloyd agreed that the new format of the report was easier to understand and also raised a query regards library costs referred to in page 105 of the report. The Head of Financial Management explained that the funds referred to were used for the temporary Timperley library and also for the Culture Strategy in 2022/23.

Councillor Axford raised a query regards council tax support being lower than expected and was advised that the budget is set on an expectation and not as many people had applied for help as it was initially perceived.

RESOLVED – That the report be noted.

10. EXTERNAL ASSESSMENT OF INTERNAL AUDIT: REPORT BY THE CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY

The Audit and Assurance Manager presented the report explaining that this was in effect an audit of the internal audit function. The audit sections in local government are required to be assessed externally every 5 years and of various providers available, CIPFA was chosen in agreement with the Director of Finance and Systems and the Chair of the Audit Committee to carry out the external assessment.

CIPFA have conducted interviews with officers, external auditors and conducted a survey of officers and Members too, looking at a number of areas such as training, planning, reporting and audit procedures. There were three possible levels of outcomes: *Generally Conforms*, *Partially Conforms* and *Does Not Conform*. Their assessment of Trafford was *Generally Conforms*, therefore the highest level that was possible to achieve. This is further explained in section 4 and 5 of the report.

A number of advisory points were put forward by CIPFA and these are included in the action plan at the end of the report along with the management response.

RESOLVED – That the report be noted.

11. 2023/24 ANNUAL HEAD OF INTERNAL AUDIT REPORT

In accordance with the Public Sector Internal Audit Standards, there is a requirement to issue an annual report setting out details of the internal audit work completed for the previous year which includes an opinion on the standard of internal control, risk management and governance in place.

The audit work is conducted in line with the Internal Audit Charter approved at the last Committee meeting in March 2023 which sets out the roles and responsibilities of the internal audit. An overall opinion of reasonable assurance was provided and the report explains why this was given.

Table 10 in the report shows a summary of the opinion levels given for different audits as well as a number of grant checks completed throughout the year where an internal audit was required by the government to provide assurance.

During 2022/23 the Committee received regular updates therefore the annual report does not provide any new or unexpected information for the first three quarters of the year. On page 29 of the report, there is an update on the final quarter of the year showing the latest number of audits completed such as business continuity, contract monitoring around waste services and adaptations.

Councillor Cordingley queried whether the waste services referred to normal refuse collections and how was this objectively monitored. The Audit Assurance Manager confirmed the waste referred to the refuse collections and informed that when the review was conducted there were a number of performance indicators in place and being reported against. More information would be provided as requested.

Councillor Brophy asked whether the work-programme could include Climate Change as an item for discussion and was informed that this is included in the internal audit plan; the Head of Climate Change post has been established and recruited to.

Councillor Axford stated that she would like the resilience training to be included in the programme too.

RESOLVED – That details of waste services performance indicators would be provided as requested.

12. STRATEGIC RISK REGISTER UPDATE REPORT – JUNE 2023

The Audit and Assurance Manager reminded the Committee that updates have been provided throughout the year on the Strategic Risk Register and that this latest update was gathered with information relating to May and June 2023 based on updates by CLT and related services.

16 strategic risks are currently on the register which have been presented at previous Committee meetings. In section 3 of the report each risk is detailed along with the type of action undertaken to address the risk and future plans for developments.

Risk 14 which has been on the register for three years, representing disruption around Covid 19 and winter pressures, is now a low risk subject to future review.

Councillor Cordingley referred to the risk of the ability for joint venture partner to deliver at high standard and felt this was actually a high risk. He was informed that this was being monitored and this risk remains on the register for monitoring.

Councillor Lloyd queried the mechanism around Freedom of Information and was informed that the Information Governance team have carried out a service review and have processes in place. More information can be provided at future meetings.

Councillor Axford would like data on the risks for school placements given the number of children travelling to school and how they are being affected by the air quality and the costs faced.

RESOLVED:

- 1) That data regarding Freedom of Information mechanisms in place be provided.
- 2) That data relating to school placements be provided.

13. ACCOUNTS AND AUDIT COMMITTEE 2022/23 ANNUAL REPORT

The Chair informed that a report covering the work of the Committee for the municipal year 2022/23 will be presented to Council in July. He invited questions from Members and no questions were received.

RESOLVED – That the report be agreed.

14. ACCOUNTS AND AUDIT COMMITTEE WORK PROGRAMME 2023/24 FOR APPROVAL

The Audit and Assurance Manager explained that the report sets out the work programme for the year ensuring that the Committee meets its responsibilities to include the review and approval of the accounts and the annual governance statement. He also reminded Members that this is a flexible document that can be amended and that items for discussion can be added or rescheduled.

The programme is included on the Agenda of each future meeting and Members can contribute to it at each stage.

RESOLVED – That the work-programme for the municipal year 2023/24 be agreed.

15. URGENT BUSINESS

There was no urgent business to discuss.

16. EXCLUSION RESOLUTION

RESOLVED - That the public be excluded from this meeting during consideration of the remaining items on the agenda, because of the likelihood of disclosure of “exempt information” which falls within one or more descriptive category or categories of the Local Government Act 1972, Schedule 12A, as amended by The Local Government (Access to Information) (Variation) Order 2006, and specified on the agenda item or report relating to each such item respectively.