

## **ACCOUNTS AND AUDIT COMMITTEE**

**10 FEBRUARY 2015**

### **PRESENT**

Councillor M. Whetton (in the Chair).

Councillors Mrs. L. Evans (Vice-Chairman), J. Baugh, C. Boyes, B. Brotherton, D. Butt and T. Ross.

#### In attendance

Director of Finance	(I.Duncan)
Director of Legal & Democratic Services	(J. Le-Fevre)
Audit and Assurance Manager	(M. Foster)
Head of Partnerships & Communities	(K. Purnell)
Principal Audit and Assurance Officer Team Leader	(H. Carnson)
Senior Democratic & Scrutiny Officer	(I. Cockill)
Democratic & Scrutiny Officer	(C. Gaffey)

#### Also in attendance

H. Stevenson, Grant Thornton UK LLP

### **39. MINUTES**

RESOLVED: That the Minutes of the meeting held on 19 November 2014 be approved as a correct record and signed by the Chairman.

### **40. ACCOUNTS AND AUDIT COMMITTEE PROGRESS REPORT AND EMERGING ISSUES AND DEVELOPMENTS FOR TRAFFORD COUNCIL (JANUARY 2015)**

Members received a report from Grant Thornton UK LLP on the progress at January 2015 in delivering its responsibilities as the Authority's external auditor.

The report also provided a summary of emerging national issues and developments relevant to the Council and included a number of challenge questions in respect of the emerging issues. The External Auditor and the Director of Finance answered several questions from Members about the report.

The Chairman questioned the scale fee set for the Council for the certification of 2013/14 claims which came to £21,284 (Appendix 1). The External Auditor explained that the fee is independently set by the Audit Commission who follow a specific process, and not by Grant Thornton UK LLP. Details of next year's fee would be reported to the Committee.

RESOLVED: That the report be noted.

### **41. TREASURY MANAGEMENT STRATEGY 2015/16 - 2017/18**

The Committee received a joint report from the Executive Member for Finance and the Director of Finance outlining the strategies to be followed for investments and borrowing, outlook for interest rates, management of associated risks, policy to be adopted on Minimum Revenue Provision and Prudential Indicators for 2015/16 – 2017/18.

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The Director of Finance answered questions from Members regarding the effect of falling oil prices on interest rates as well as our investment strategies. It was noted that the only likely borrowing the Council may consider in the near future concerned investment in LED street lighting.

The Director of Finance also agreed to forward a definitive list of organisations the Council lends to. It was explained to Members that this list can change as the organisations must meet a certain criteria. Any changes within an organisation resulting in them not meeting the criteria would mean they are removed from the list.

RESLOVED –

- (1) That the policy on debt strategy for 2015/16 to 2017/18 as set out in section 3 of the report be approved.
- (2) That the investment strategy for 2015/16 to 2017/18 and amendments to the credit criteria as set out in section 5 of the report be approved.
- (3) That the 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 be approved.

**42. RESERVES AND PROVISIONS**

The Director of Finance submitted a report on the position of the Council's reserves and provisions at 1 April 2014. The report also advised of the forecasted reserve and provision balances at March 2017.

The Director of Finance responded to questions on specific components of the reserves including Trafford's business rates, the reserves for maintained schools and the learning difficulty pool deficit.

RESOLVED: That the report be noted.

**43. ANNUAL GOVERNANCE STATEMENT 2014/15 - APPROACH / TIMETABLE**

The Committee received a report from the Audit and Assurance Manager setting out the action plan / timetable to ensure compliance with the production of an Annual Governance Statement for 2014/15. It was explained that the Accounts and Audit Committee have a role in reviewing the robustness of the statement prior to sign off by the Chief Executive and Leader. As has been the practice in previous years, the report proposes delegation of responsibility for this task to a smaller working group of the Committee.

RESOLVED –

- (1) That the timetable / action plan be noted.

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- (2) That the Committee agrees to delegate responsibility for reviewing the robustness of the Annual Governance Statement to a working group made up of the Chairman, Vice Chairman and opposition spokesperson.

**44. ANNUAL GOVERNANCE STATEMENT 2013/14 - UPDATE ON SIGNIFICANT GOVERNANCE ISSUE: LOCALITY PARTNERSHIPS**

The Committee received a brief report from the Head of Partnerships and Communities. The report provided an extract from the 2013/14 Annual Governance Statement outlining one of the significant governance issues identified for further development through 2014/15 i.e. the development of Locality Partnerships. It also included a brief update on the progress of the Locality Partnerships and a shift towards Locality Planning.

Concern was raised about the viability of the Locality Partnerships in the current financial climate and the complexity of structures within the Trafford Partnership. The Head of Partnerships & Communities confirmed that a mapping exercise of strategies and structures is underway to assess what improvements could be made and the Vice-Chairman recommended more scrutiny, particularly around membership and voting rights relating to the Voluntary Sector Grants processes.

RESOLVED: That the report be noted.

**45. REVENUE BUDGET MONITORING 2014/15 - PERIOD 8 (APRIL TO NOVEMBER 2014)**

The Committee received, for information, a joint report of the Executive Member for Finance and Director of Finance detailing the outcomes of the monitoring of the Council's revenue budget for period 8 (April to November 2014) which had been previously presented to the Executive.

The Director of Legal & Democratic Services answered questions relating to the costs relating to legal child care cases, and that a breakdown of these fees could be produced.

The Chairman commented on the good, strong message from the report regarding underspends in the majority of areas and the Director of Finance advised that the period 9 monitor was expected to show further favourable movements in the Council's financial position.

RESOLVED: That the revenue budget monitoring information for the period April to November 2014, be noted.

**46. BUDGET MONITORING ACTION PLAN UPDATE (JANUARY 2015)**

The Committee received, for information, a joint report of the Audit and Assurance Manager, the Transformation Programme Manager and the Acting Director of Human Resources, providing an update on the position against each of the planned actions listed in the Budget Monitoring Action Plan up to January 2015, providing a summary of action undertaken to date and ongoing work / future plans.

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The Audit and Assurance Manager responded to questions Members had about the report. The Chairman commended the progress made. Discussions included the possible approach to future follow up review work against the action plan. It was noted that action plan progress will be reflected in the draft 2014/15 Annual Governance Statement.

The Audit and Assurance Manager advised Members that examples of training material relating to budget monitoring could be provided. With regards to reflecting budget management within the interview process for future recruitment the Director of Finance advised this would need to be followed up with Human Resources.

RESOLVED: That the report be noted.

**47. AUDIT AND ASSURANCE REPORT FOR THE PERIOD OCTOBER TO DECEMBER 2014**

The Committee received, for information, a report from the Audit and Assurance Manager providing a summary of the work of Audit and Assurance during the period October to December 2014, as well as providing ongoing assurance to the Council on the adequacy of its control environment.

Concern was raised about the staffing levels within the Audit and Assurance team following the departure of three staff in 2014/15 and it was noted that plans were being made to address this.

RESOLVED: That the report be noted.

**48. ACCOUNTS AND AUDIT COMMITTEE - WORK PROGRAMME - 2014/15**

The Committee received, for information, a report by the Audit and Assurance Manager outlining areas to be considered by the Committee at each of its meetings, over the period of the year. The work programme helps to ensure that the Committee meets its responsibilities under its terms of reference and maintains focus on key issues and priorities as defined by the Committee.

The Audit and Assurance Manager mentioned that, if possible, Information Governance would be covered at the next meeting.

RESOLVED: That the report be noted.

The meeting commenced at 6.30 pm and finished at 8.17 pm