

AUDIT COMMITTEE

Meeting: 15 March 2017

At: 6.00 pm

PRESENT

Councillor Stuart Corris (Chair) in the chair; Councillor Syd Lloyd (Vice-Chair); Councillors John Taylor, Roy Driver and Mark Hunter and John Taylor

1. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 30 November 2016 were approved as a correct record and signed by the Chair.

2. DECLARATIONS OF INTEREST

No declarations of interest were made.

3. URGENT DECISIONS

No urgent decisions were reported.

4. PUBLIC QUESTION TIME

No public questions were submitted.

5. STAR PROCUREMENT SERVICE UPDATE

Lorraine Cox, Director of STAR Procurement submitted a report (copies of which had been circulated) providing the Committee with information relating to the governance of STAR, the partners, projects and objectives for the future.

The following comments were made/issues raised:-

- Procurement savings for the Council on the 2016/2017 financial year totalled £1.4 million.
- A three year business plan for the period April 2017-March 2020 was near completion.
- An explanation of the governance model with representatives from the three Councils and the role of the STAR Board.
- The implications of BREXIT, the 2014 EU procurement directives and the 2015 Public Contract Regulations – whatever happens with BREXIT, procurement is already governed by British law. Only bound by EU procurement rules when certain financial thresholds are hit.
- The contract procedure rules and the thresholds for types of works– the four key treaty principles are applied.
- The balance score cards as they relate to compliance, performance and social value.

- Work being undertaken on the insurance tender and how the Council deals with insurance claims – Councillors were keen to hear in future how that work stream develops.
- Scrutiny of the Digital by Design project. Councillors would welcome a detailed report to be submitted to a future meeting on the project.
- Contract management is the responsibility of the client department.

RESOLVED – That the report be noted and Lorraine Cox be thanked for her attendance and presentation.

6. ANNUAL STATEMENT OF ACCOUNTS UPDATE AND PROPOSED 2016/17 ACCOUNTING POLICIES AND CRITICAL JUDGEMENTS

The Borough Treasurer submitted a report (copies of which had been circulated) providing the Committee with the opportunity to comment on the annual statement of accounts, the proposed 2016/2017 accounting policies and critical judgements.

RESOLVED – That the Accounting principles detailed in the report be adopted for the purpose of preparing the Council's 2016/2017 Annual Statement of Accounts.

7. INTERNAL AUDIT PROGRESS REPORT 3 - 1ST NOVEMBER 2016 TO 28TH FEBRUARY 2017

The Borough Treasurer submitted a report (copies of which had been circulated) outlining the progress made by internal audit against the approved 2016/2017 internal audit plan for the period 1st November 2016 to 28th February 2017 and informing the Committee of the resources utilised by the Internal Audit Service during this period, activities undertaken and the status of work currently being undertaken.

Councillors noted the progress made in respect to a number of on-going pieces of work and the outcomes from final audit reports.

RESOLVED – That the report be noted.

8. DRAFT INTERNAL AUDIT PLAN 2017-18 AND DRAFT INTERNAL AUDIT CHARTER 2017-18

The Borough Treasurer submitted a report (copies of which had been circulated) outlining the draft Internal Audit Plan 2017/2018 and the Internal Audit Charter 2017/2018 for consideration by the Committee.

The following comments were made/issues raised:-

- Councillors noted that the Audit Charter was refreshed and updated each year.
- Councillors welcomed the report for its comprehensiveness. It was suggested that all Councillors be offered further training in respect to risks associated with social media and technology.

RESOLVED – That the report be noted.

9. ARRANGEMENTS FOR COMPLETING THE ANNUAL GOVERNANCE STATEMENT FOR 2016/17

The Borough Treasurer submitted a report (copies of which had been circulated) setting out the proposed arrangements for completion of the Annual Governance Statement 2016/2017, the final statement would be submitted for consideration to the next meeting of the Committee.

RESOLVED – That the report be noted.

10. REVISED LOCAL CODE OF GOVERNANCE

The Borough Treasurer submitted a report (copies of which had been circulated) providing for comment the draft Local Code of Governance which is reviewed on an annual basis. The draft plan had been substantially updated this year following guidance published by CIPFA in April 2016.

RESOLVED – That the report be noted.

11. QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME - SELF-ASSESSMENT

The Borough Treasurer submitted a report (copies of which had been circulated) setting out the quality assurance arrangements in place for internal audit for 2017/2018 including the self assessment results of the Quality Assurance & Improvement Programme (QUIP). The report also outlined the proposed basis that the Internal Audit and Risk Manager would use for the external assessment of the Council's internal audit function.

The following comments were made/issues raised:-

- Each year a self-assessment is conducted, external assessment takes place once every 5 years with the next assessment planned for June 2017.
- Part of that external assessment may also include a dialogue with members of the Audit Committee.
- Services are quality monitored through a Quality Assurance and Improvement Plan.

RESOLVED – That the report be noted.

12. AUDIT COMMITTEE UPDATE REPORT

A representative of Grant Thornton submitted a report (copies of which had been circulated) providing the Committee with an update report on progress in delivering on their responsibilities as the Council's external auditors.

The following comments were made/issues raised:-

- The interim accounts audit was substantially complete and it was anticipated that it would be concluded by the end of March 2017.
- The circulation to members of and summary of key decisions made and appropriate additional information as it relates to the Greater Manchester Pension Fund.
- Councillors discussed issues relating to the crisis of social care provision in the most disadvantaged communities.

RESOLVED – That the report be noted.

13. GRANT THORNTON - 2016/17 AUDIT PLAN

A representative of Grant Thornton submitted a report (copies of which had been circulated) providing for comment the 2016/2017 Audit Plan.

The following comments were made/issues raised:-

- In respect to the significant risks identified in the report, Councillors enquired when the work would be concluded. It was confirmed that a response would be submitted to the July meeting of the Committee.
- Councillors discussed the implications for risk associated with the capital projects being undertaken by the Council notably the pooling of budgets in respect to Stockport Together and valuation of property, plant and equipment.
- Prudential borrowing, the Council's reserves policy and mitigation measures taken against risk as the risk profiles of the Council has changed in recent years as the Council responds to fiscal challenges.

RESOLVED – That the report be noted.

The meeting closed at 7.50 pm