

AUDIT COMMITTEE

Meeting: 28 November 2018
At: 6.00 pm

PRESENT

Councillor Stuart Corris (Chair) in the chair; Councillor Mike Hurleston (Vice-Chair);
Councillors Becky Crawford, Roy Driver, John Pantall and John Taylor.

1. MINUTES

The Minutes (copies of which had been circulated) of the meeting held on 18 July 2018 were approved as a correct record and signed by the Chair.

Members were advised of the following matters arising since the Committee meeting held on 18 July 2018.

- That the matter of Councillors personal and prejudicial interests in the Code of Conduct in minute number 5 was being discussed with the monitoring officer the next day.
- That the information relating to the possible appointment of an independent member to the Audit Committee in minute number 14 had now been collated and would be reported to the next meeting.

2. DECLARATIONS OF INTEREST

Councillors and officers were invited to declare any interests they had in any of the items on the agenda for the meeting.

No declarations of interest were made.

3. URGENT DECISIONS

No urgent decisions were reported.

4. PUBLIC QUESTION TIME

Members of the public were invited to put questions to the Chair on any matters within the powers and duties of the Area Committee, subject to the exclusions set out in the Code of Practice.

No public questions were submitted.

5. EXCLUSION OF THE PUBLIC AND THE PUBLIC INTEREST TEST

RESOLVED – That it is in the public interest to exclude the public during part of the consideration of agenda items 6-14 which contains information ‘not for publication’ by virtue of Category 3 ‘Information relating to the financial or business affairs of any

particular person (including the authority)' as set out in the Local Government Act 1972 (as amended).

6. STAR PROCUREMENT UPDATE

A representative of the Borough Treasurer submitted a report (copies of which had been circulated) which provided details of success to date and the next steps.

The following comments were made/issues raised:

- Members asked what management would do to support employees who do not necessarily have the skills or expertise when dealing with contractors who were not compliant. In response, Members were advised that this had been referenced in the Unified Strategic Commissioning function and that all employees would be provided with any necessary additional support. Contracts would be monitored and reviewed to detect any potential weaknesses.
- Councillors welcomed the achievements so far, but also noted that there was still a lot of work to be done.
- Councillors raised the issue of smaller suppliers. Would these suppliers miss out if they were unable to supply to multiple authorities? In response, members were advised that things could be broken down into small geographical areas and that as such small local contractors may be able to provide a better deal.

RESOLVED – That the report be noted.

7. ANNUAL GOVERNANCE STATEMENT - ACTION PLAN

A report of the Corporate Governance Group was submitted (copies of which had been circulated) outlining the key governance issues currently facing the Council along with agreed controls put in place to manage the issue. A quarterly report was also provided via communication and challenge to nominated officers specified by the Corporate Governance Group.

The following comments were made/issues raised:

- Members were provided with an update on the newly formed provider meeting, the changes in personnel at the CCG and the plan that had been formed for the Care Quality Commission.
- The Chair of the Audit Committee requested that the risk assessment for the medium term financial plan be discussed at the next workshop as it was felt that this is an area that Members needed to be aware of.

RESOLVED – That the report be noted.

8. INTERNAL AUDIT PROGRESS REPORT 2 (JULY TO SEPTEMBER 2018)

A representative of the Borough Treasurer submitted a report (copies of which had been circulated) which set out the progress made by internal audit against the approved 2018/19 internal audit plan for the period 1 July 2018 to 30 September 2018.

The report also informed Members of the resources utilised by Internal Audit during the period, the activities undertaken in the reporting period, and the status of work currently being undertaken.

The following comments were made/issues raised:

- Members commented that they would like a report for the next meeting of the Audit Committee relating to the progress that had been made and what still needed to be done in relation to Stockport Together.
- A short discussion took place in relation to cybercrime and what risk this presented to the Council.

RESOLVED – That the report be noted.

9. INTERNAL AUDIT PLANNING METHODOLOGY 2019/20

A representative of the Borough Treasurer submitted a report (copies of which had been circulated) which informed Members of the proposed planning methodology required to produce the Annual Internal Audit Plan (2019/20). This included a timetable for the planning process.

RESOLVED – That the report be noted and that Members approved the proposed planning methodology.

10. CORPORATE RISK REGISTER 2018/19 Q2

A representative of the Borough Treasurer submitted a report (copies of which had been circulated). The report was in response to the Risk Management Peer Review report, and the residual corporate risks had been scored for likelihood and impact. The risk register had also been cleansed to remove commentary and controls no longer relevant and updated to include recent developments.

The following comments were made/issues raised:

- Members commented that they felt good practice was emerging particularly in relation to health and social care integration.
- Members also considered that the report was extremely helpful and the risks identified were very robust.

RESOLVED – That the report be noted.

11. RISK BASED VERIFICATION REVIEW

A representative of the Borough Treasurer submitted a report (copies of which had been circulated) which set out the Council's current risk based verification (RBV) process for dealing with the evidence requirements in support of claims for both Housing Benefit and Council Tax Support, which was adopted in 2012.

The following comments were made/issues raised:

- A short discussion took place regarding the impact of Universal Credit.

RESOLVED – That the report be noted and it was confirmed that the levels of evidence requested for each of the risk categories remained appropriate.

12. RISK MANAGEMENT PEER REVIEW - FINAL REPORT

A representative of the Borough Treasurer submitted a report (copies of which had been circulated. The report explained that in order to enable the necessary safeguards to be demonstrated, a peer review of the risk management arrangements in place at Stockport Metropolitan Borough Council was commissioned. This review was carried out by the Head of Internal Audit, Risk and Insurance and the insurance, Risk and Counter Fraud Advisor at Warrington Borough Council in May 2018.

RESOLVED – That the report be noted and that the responses to the recommendations in the Action Plan be endorsed.

13. SMBC AUDIT PROGRESS REPORT

A representative of the external auditors, Mazars submitted a report (copies of which had been circulated) which provided the Committee with the first progress report in respect of the 2018/19 audit year.

The following comments were made/issues raised:

- Members thanked the auditors for attending the meeting and presenting the report which they found informative and helpful.

RESOLVED – That the report be noted.

14. DEBT WRITE OFF

A representative of the Borough Treasurer submitted a report (copies of which had been circulated) which detailed the write offs of low value amounts of debt for the period 1 April 2017 to 31 March 2018.

RESOLVED – That the report be noted and it was confirmed that the Audit Committee still wished to receive the report.

The meeting closed at 7.50 pm