

## **AUDIT COMMITTEE**

Meeting: 9 December 2020

At: 6.00 pm

### PRESENT

Councillor Stuart Corris (Chair) in the chair; Councillor Mike Hurleston (Vice-Chair);  
Councillors Paul Ankers, Yvonne Guariento, John Pantall and John Taylor.

### **1. MINUTES**

The Minutes (copies of which had been circulated) of the meeting held on 9 September 2020 were approved as a correct record and signed by the Chair.

### **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.

The following interests were declared:-

#### **Personal Interests**

#### **Councillor**

#### **Interest**

John Taylor

Agenda item 8 – ‘Internal Audit Progress Report’ as a representative of the Council on the Manchester Airport Consultative Committee and the Manchester Airport Consultative Committee Trust Fund.

Agenda item 8 ‘Internal Audit Progress Report’ as the Council’s representative on the Greater Manchester Pension Fund Management Panel and the recipient of a pension from the Greater Manchester Pension Fund.

Agenda Item 8 – ‘Internal Audit Progress Report’ as a Governor at Heatons School.

John Pantall

Agenda Item 8 – ‘Internal Audit Progress Report’ as an observer of the Greater Manchester Pension Fund.

Yvonne Guariento

Agenda Item 8 – ‘Internal Audit Progress Report’ as in receipt of a teacher’s pension

Paul Ankers

Agenda Item 8 – ‘Internal Audit Progress Report’ as a parent at

Heatons School.

Stuart Corris                      Agenda Item 5 – STaR Update Report as a Trustee of Signpost

Personal and Prejudicial Interest

Councillor

Interest

Mike Hurleston                      Agenda items 8 & 9 – ‘Internal Audit Progress Report’ and ‘Annual Governance Statement Action Plan Update’ as a member of the Board of the Stockport Town Centre West Mayoral Development Corporation.

It was noted that the Standards Committee had approved a dispensation to enable those councillors who were members of the Board of the Stockport Town Centre West Mayoral Development Corporation and who would otherwise have a personal and prejudicial interest in the matter being discussed to take part in the debate and vote at the meeting.

**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. STAR UPDATE REPORT**

The Director of Procurement submitted a report (copies of which had been circulated) which outlined the achievements for 2019/20, work this year including COVID response, the 10-point plan to support local businesses and SME’s and savings work.

The following comments were made/issues raised:

- Members commented that the report gave a good picture of the current position.
- Were any of the national difficulties with the provision of PPE overcome by working locally and could the scale of the work being done by STaR increase without affecting STaR’s strength which is working collaboratively locally? In response,

Members were advised that the analysis on spend for PPE across Greater Manchester was a good news story. A number of local businesses had diversified and done what they could to help the greater cause.

- STaR had moved from 3 partners to 6 and this had proved to be a success in terms of securing return on investment. The ambition was to keep this going.
- Members asked how likely it was that more organisations would join in future and whether STaR risked challenge from organisations outside the local area. In response, Members were advised that more organisations were interested in joining STaR and that more specialist collaboration was being investigated. The process of procurement was very rigorous, and the aim was to ensure quality, price and social value. Nobody was excluded from the process, but it was important to ensure businesses in Greater Manchester had the very best chance.
- A short discussion took place relating to the charity sector and how the much valued services they provide was taken into account.
- Had the idea of having Lead Authorities looking at scale been considered?

RESOLVED – That the report be noted.

## **6. RISK BASED VERIFICATION REPORT (HOUSING BENEFITS AND COUNCIL TAX SUPPORT)**

The Corporate Director, Corporate and Support Services and Deputy Chief Executive submitted a report (copies of which had been circulated) which set out the current process of dealing with the evidence requirements in support of new claims for Housing Benefit and Council Tax Support via Risk Based Verification.

The following comments were made/issues raised:

- Members asked whether the new software would result in more delays for people, especially those claiming housing benefit, whether there was a risk that people could be placed in even greater debt? In response, Members were advised that there were very few new housing benefit claimants as most people were now having to claim Universal Credit. Claimant information could be verified almost immediately, and it would be very rare that additional evidence and supporting evidence would be requested. Therefore, decision making should not be delayed.
- Members commented that it was good to know that the new system was robust and that there was no cost involved in changing.

**RESOLVED – (i) That the report be noted.**

**(ii) The Committee approved the revocation of Stockport Council's Risk Based Verification Policy with effect from 31 March 2021 and agreed the recommended process for gathering evidence in support of Housing Benefit and Council Tax Support claims from 1 April 2021.**

## **7. DEBT WRITE OFF**

The Deputy Chief Executive (Section 151 Officer) submitted a report (copies of which had been circulated, which detailed write-offs of low level amounts of debt for the period 1 April 2019 to 31 March 2020.

The following comments were made/issues raised:

- Members asked about serial debtors, i.e those people whose debt is written off and then they subsequently reappear. How was this dealt with?
- Members noted that there had been an increase this year in the amount of debt that was being written off and noted that numbers do fluctuate year on year.
- A short discussion took place relating to how probate impacts the figures.

**RESOLVED - That the report be noted.**

### **8. INTERNAL AUDIT PROGRESS REPORT 3 - 1ST AUGUST TO 31ST OCTOBER 2020**

The Corporate Director, Corporate and Support Services and Deputy Chief Executive submitted a report (copies of which were circulated) which set out the progress made by internal audit for the period 1 August 2020 to 31 October 2020.

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 the work currently being undertaken.

The summary dashboards were not produced for this Committee but will be presented again at the year end March 2021 meeting.

The following comments were made/issues raised:

- Members wished to extend their thanks to all officers who had been responsible for the issuing of business grants over the period and the amount of work that had been carried out by the Audit team was recognised.
- Members asked whether there had been any issues caused by a lack of clarity on national messaging and whether this had improved. In response, Members were advised that the team had worked very hard to ensure that applications were user friendly and contained all the information required for businesses.
- Members commented that the report was testimony to the resilience of Stockport Council and the Audit team.

**RESOLVED – that the report be noted.**

### **9. ANNUAL GOVERNANCE STATEMENT ACTION PLAN UPDATE**

The Corporate Governance Group submitted a report (copies of which had been circulated) which detailed the Council's Annual Governance Action Plan arising from the latest Annual Governance Statement (AGS). The AGS was approved by the Audit Committee at its meeting on 9 September 2020.

The following comments were made/issues raised:

- Members asked about how the changes in how the Council was able to borrow money would impact on the Medium-Term Financial Plan. In response, Members were advised that the borrowing strategy at the moment involved using cash reserves. Short term borrowing had been enabled due to low interest rates and liquidity in the market. Debt financing costs were low and would continue to be so.
- A short discussion took place relating to governance issues in particular as they related to social care restructuring and also what the position was for people wanting to take early retirement in view of the £95,00 exit gap.

**RESOLVED – That the report be noted.**

## **10. CORPORATE RISK REGISTER 2020/21 -QTR 3 UPDATE**

The Corporate Director, Corporate and Support Services and Deputy Chief Executive submitted a report (copies of which had been circulated) which updated Members on the changes to the Council's overall risk profile.

The following comments were made/issues raised:

- Members asked how priorities were determined? In response, Members were advised that the priorities on the register changed regularly and that the Audit team liaised regularly with Officers who had relevant responsibility. The register was reflective of the current situation.

**RESOLVED – That the report be noted.**

## **11. REDMOND REVIEW - LOCAL AUDIT ARRANGEMENTS**

The Corporate Director, Corporate and Support Services and Deputy Chief Executive submitted a report (copies of which had been circulated) which informed Members of the outcomes and findings of the Redmond Review and the subsequent proposed recommendations.

The following comments were made/issues raised:

- A discussion took place relating to the provision and quality of external auditors.
- Members noted the good relationship that exists between Stockport Council and its external auditors, Mazars.

**RESOLVED – That the report be noted.**

## **12. EXTERNAL AUDIT REPORT**

The External Auditor submitted the Annual Audit letter (copies of which had been circulated).

The following comments were made/issues raised:

## Audit Committee - 9 December 2020

- The External Auditors confirmed that they had all the information that they needed in order to complete the statement of accounts.

**RESOLVED – That the Committee note the letter.**

The meeting closed at 7.50 pm