

Chairman - Councillor A M Loughran

Present (for all or part of the meeting):-

Councillors:

B M Cross

I E Davies

R A James

D B Price

R M Sutherland

Officers in attendance:-

Mr A Welch	-	Head of Law and Administration
Mr B Kean	-	Head of Finance
Mrs J Aupers	-	Head of Governance
Mr S Baddeley	-	Chief Internal Auditor
Mr J Dean	-	Democratic Services Officer

Also present:-

Mr J McLarnon - Audit Manager, Grant Thornton

AAC18 Minutes

Minutes of the meeting held on 30 July 2018, as published in Digest No 246, were submitted and signed.

AAC19 Apologies

Apologies for absence were received from Councillors A J Perkins (substitute B M Cross) and K S Williamson.

AAC20 Annual Audit Letter for Stafford Borough Council

Considered the Annual Audit Letter as prepared by Grant Thornton, summarising the key findings arising from the work carried out by the external auditors at the Council for the year ended 31 March 2018.

Mr Jim McLarnon, Audit Manager, Grant Thornton, introduced the report and highlighted the following key areas for Members attention:-

- Key messages and work carried out (as set out in the Executive Summary of the report);
- Significant Audit Risks identified in the Audit Plan (*the Head of Finance undertook to provide Members with clarification regarding the high value journal transaction as detailed in the report*).

Arising from consideration of the document, the Committee were afforded the opportunity to raise any queries relating to the report, to which Mr McLarnon responded appropriately.

RESOLVED:- that in exercise of the powers delegated to the Committee the Annual Audit Letter for the Year Ended 31 March 2018 be received.

AAC21 **Audit Progress Report and Sector Update**

Considered the report of Grant Thornton outlining progress in delivering those responsibilities of the external auditors, as at November 2018, and providing a summary of emerging national issues and developments relevant to the Council.

Mr McLarnon guided the Committee through the report and made Members aware of the following matters:-

- Details of progress as at November 2018
- 2017/18 - 2018/19 Audit Deliverables

The Head of Law and Administration provided an outline of training for Members of the Committee post 2019 elections.

RESOLVED:- that in exercise of the powers delegated to the Committee the Audit Progress Report and Sector Update be received.

AAC22 **Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2019/20 and Capital Strategy 2018/22**

Considered the report of the Head of Finance (V1 03/12/18) seeking approval of:-

- Prudential and Treasury indicators - setting of indicators to ensure that the capital investment plans of the Council are affordable, prudent and sustainable;
- The Minimum Revenue Provision (MRP) Policy;
- Treasury Management Strategy Statement for 2019/20 - to set treasury limits for 2019/20 to 2021/22 and to provide a background to the latest economic forecasts of interest rates;

- Annual Investment Strategy 2019/20 - to set out the strategy of investment of surplus funds.
- Capital Strategy 2018/22

Arising from the debate, the Head of Finance noted the changes to the report from previous years before clarifying its aims and purposes and the role of Scrutiny in the budget process.

Continuing, Mr Kean noted the associated Capital Strategy and its function to provide a framework for the Councils Capital Investment.

In conclusion, the Head of Finance responded to a question from Members regarding capital expenditure relating to the Leisure and Culture portfolio, as set out in paragraph 5.23.

Members then voted on the recommendations as set out, which were declared to be carried.

RESOLVED:- that in exercise of the powers delegated to the Committee:-

- (a) the following be approved:-
 - (i) The Prudential and Treasury indicators;
 - (ii) The MRP Policy Statement;
 - (iii) The Treasury Management Policy;
 - (iv) The Annual Investment Strategy for 2019/20;
 - (v) The Capital Strategy 2018/22;
- (b) it be noted that indicators may change in accordance with the final recommendations from Cabinet to Council in relation to both the General Fund Revenue Budget and the Capital Programme.

AAC23 Annual Governance Statement Progress Report

Considered the report of the Head of Governance (V1 29/11/18) presenting progress in addressing the significant governance issues identified in the Annual Governance Statement for 2017-18.

The Head of Governance referred the Committee to paragraph 3.2 confirming that there were no areas of concern for Members to address. Continuing, Mrs Aupers responded to questions relating to provision of an Employees Code of Conduct, as set out in the appendix to the report.

Members then voted on the recommendation as set out, which was declared to be carried.

RESOLVED:- that in exercise of the powers delegated to the Committee the content of the progress report on the Annual Governance Statement for 2017-18 be noted.

AAC24 Internal Audit Quarter 1 and 2 Report for 2018-19

Considered the report of the Chief Internal Auditor (V2 03/12/18) presenting the Internal Audit Quarter 1 and 2 report for 2018-19.

The Chief Internal Auditor highlighted the summary of levels of assurance for the completed audits, as set out in paragraph 5.3 of the report and the associated appendix 2.

Members sought clarification concerning the Leisure Contact Management audit to which the Chief Internal Audit responded accordingly, including confirming the role of Scrutiny in monitoring the performance of said contract.

Members then voted on the recommendations as set out, which were declared to be carried.

RESOLVED:- that in exercise of the powers delegated to the Committee:-

- (a) the Internal Audit report for Quarter 2 of 2018-19 be noted;
- (b) the IT Audit Plan as set out in appendix 5 of the report be approved.

AAC25 Risk Management Report

Considered the report of the Head of Governance (V2 03/12/18) setting out the details of the Council's Strategic Risk Register as at 30 November 2018.

The Chief Internal Auditor highlighted paragraph 3.1 of the report and the associated detail as set out in the associated appendix 2.

Members then voted on the recommendation as set out, which was declared to be carried.

RESOLVED:- that in exercise of the powers delegated to the Committee the Strategic Risk Register (as approved by Cabinet) be approved and the progress made in the identification and management of the strategic risks be noted.

AAC26 Work Programme - Audit and Accounts Committee

Considered the report of the Head of Law and Administration (V3 03/12/18) presenting the Audit and Accounts Committee's work programme.

Members then voted on the recommendation as set out, which was declared to be carried.

RESOLVED:- that in exercise of the powers delegated to the Committee the Work Programme be received.

CHAIRMAN