



Chairman - Councillor A M Loughran

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

Councillors:

M G Dodson

D Fordham

R A James

P W Jones

J A Nixon

Cabinet Member - Councillor R M Smith - Deputy Leader and Resources Portfolio

Officers in attendance:-

Mr B Kean

Mrs J Aupers

Mr S Baddeley

Mr A Bailey

Mr J Dean

Head of Finance

Head of Governance

Senior Internal Auditor

Scrutiny Officer

Democratic Services Officer

Also present:-

Mr J Farrar

Director, Grant Thornton

### **AAC37 Minutes**

Minutes of the meeting held on 25 November 2020, as previously circulated, were agreed as a correct record.

### **AAC38 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 to the Council for the year ended 31 March 2020.

Mr John Farrar, Director, 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 on page 5 of the agenda);
- Final reports issued and fees charged as detailed on page 15 of the agenda

RESOLVED:- that in exercise of the powers delegated to the Committee the Annual Audit Letter for the Year Ended 31 March 2020 be received.

### **AAC39 Audit Progress Report and Sector Update**

Considered the report of Grant Thornton outlining progress in delivering those responsibilities of the External Auditors and providing a summary of emerging national issues and developments relevant to the Council.

Mr Farrar led Members through the report and in particular referred to:-

- Details of progress as at January 2021;
- 2019/20 Audit Deliverables;
- Revised auditing standard 540: Auditing Accounting Estimates and Related Disclosures;
- The 'Redmond Review';
- Code of Audit Practice and revised approach to Value for Money audit work – National Audit Office

Members were afforded the opportunity to raise any questions arising from consideration of the report, to which Mr Farrar responded accordingly.

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

*Grant Thornton undertook to provide Members with the associated documents as mentioned in the report which were duly provided.*

### **AAC40 Treasury Management Strategy, Minimum Revenue Provision Policy, Annual Investment Strategy 2021/22**

Considered the report of the Head of Finance seeking to note approval by Council 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 2021/22 - to set treasury limits for 2021/22 to 2023/24 and to provide a background to the latest economic forecasts of interest rates;
- Annual Investment Strategy 2021/22 - to set out the strategy of investment of surplus funds.

The Head of Finance summarised the report for Members, noting its approval at the recent meeting of Council.

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

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

(a) it be noted that the following were approved by Council:-

- (i) The Prudential and Treasury indicators;
- (ii) The MRP Policy Statement;
- (iii) The Treasury Management Policy;
- (iv) The Annual Investment Strategy for 2021/22;

(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.

#### **AAC41 Strategic Risk Register**

Considered the report of the Head of Governance setting out details of the Council's Strategic Risk Register as at 30 November 2020, as considered by Cabinet on 14 January 2021.

The Head of Governance detailed the associated risks as at 30 November 2020, the content of paragraph 5.9 and the recent approval of the report at the 14 January 2021 meeting of Cabinet.

Arising from consideration of the report, the Head of Governance, supported by the Head of Finance, responded to queries regarding:-

- 'Red Risk' C6;
- 'Amber Risk' 40b;
- Direction of travel of Risk C3;
- Levels of compliance across all Council sites (Risk C8);
- Future of Business Rates pool

RESOLVED:- that in exercise of the powers delegated to the Committee the draft Strategic Risk Register be received and the progress made in the identification and management of the strategic risks be noted.

## **AAC42 Internal Audit Progress Report 2020-21**

Considered the report of the Chief Internal Auditor presenting for information a progress report on the work of Internal Audit.

The Chief Internal Auditor provided a summary of the level of assurance for each of the audits completed in the quarter, and noted the continued impact of the Coronavirus pandemic on the work of the Audit Team and the resulting revisions to the Audit Plan as set out on pages 114-115 of the agenda.

Continuing, Mr Baddeley outlined the audits completed by 30 November 2020, addressing those points raised by Members accordingly. Specific reference was made to:-

- IT Capacity Management and Resilience;
- Continuation of audit work during this third period of lockdown;
- Further detail as to the number of audits in progress;
- Auditing of discretionary grants to businesses;

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 revised Audit Plan set out in **APPENDIX 1** of the report be approved;

(b) the progress report be noted.

## **AAC43 Annual Governance Statement Progress Report**

Considered the report of the Head of Governance presenting for information progress in addressing the significant governance issues identified in the Annual Governance Statement (AGS) for 2019-20.

The Head of Governance summarised the 7 actions arising from the significant governance issues identified in the Annual Governance Statement, noting the 2 associated amber indicators as set out in the Appendix to the report.

Members were afforded the opportunity to seek clarification on any of the matter set out, to which the Head of Service duly responded. Detail was provided concerning:-

- Councils 'key contractors';
- Impact of the CV19 pandemic on the Council's leisure provider

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 the content of the progress report on the Annual Governance Statement for 2019-20 be noted.

*The Head of Finance undertook to arrange Pensions training for Members, to be held at 5:30pm on Tuesday 16 March 2021. The scheduled meeting of the Audit and Accounts Committee to be re-arranged accordingly.*

CHAIR