

Audit Committee

Minutes of the meeting held on 29 January 2015

Present

Councillor Hackett (In the Chair)
Councillors Ahmed Ali, Ollerhead, Lanchbury and Watson

Councillor John Flanagan, Executive Member for Finance and Human Resources

Apologies

Councillors Barrett and Siddiqi. Independent co-opted member Mr S Downs

AC/15/01 Minutes

The minutes of the meeting on 3 December 2014 were submitted for consideration. The Committee agreed that they were a correct record subject to the amendment of phrasing on page 6, paragraph 2. The amended wording is as follows.

“The Executive Member for Childrens Services was asked if there were any issues with the training and retention of social work staff. She advised that all staff were fully trained in all the relevant areas, and that the senior officers were focused on improving the quality of social work undertaken by the Council. She also confirmed that there have been management changes across the service.”

John Farrar, Grant Thornton, requested that the third bullet point on Minute AC/14/52 be deleted as it was incorrect and the qualified value for money conclusion was reported in the fifth bullet point.

Decision

To approve as a correct record the minutes of the meeting held on 3 December 2014 subject to the above amendment.

AC/15/02 Manchester Mental Health and Social Care Trust Governance

The report of the Strategic Lead Commissioner for Mental Health provided an update for the Manchester Mental Health and Social Care Trust governance and safeguarding activity; social care referrals and bed capacity. It was produced in response to the Committee’s request to assess the extent that past audit findings have contributed to challenge and change in this area of service.

The Head of Commissioning, Families Health and Wellbeing informed the Committee that there was an issue with incompatible ICT systems between Manchester City Council and the NHS, and that joint cases were being reconciled manually. The Head of Internal Audit and Risk Management confirmed that they were now able to give substantial assurance over compliance with safeguarding systems and processes in place despite the ICT interface problems. He also confirmed that an ongoing action

plan to drive service improvements was in place and being implemented.

The Committee commented that the report was not comprehensive enough, and they asked for a detailed breakdown of the numbers of social care referrals and capacity. They also commented that the report did not do enough to explain the jargon that was used, nor the context of the referrals in enough detail. The Committee also said that there needed to be ongoing monitoring of both the processes that were being followed, and the quality of services that were provided.

The Committee referred to the action plan in the appendix, and a member commented that the plan was not as proactive as they would expect as it contained too much narrative and insufficient action points. The Committee also requested a breakdown of the ethnicity of those accessing services, as this could provide more information about how services could be targeted more efficiently and to where the need was greatest.

The Head of Commissioning provided more detail about the mental health resourcing panels, how they assessed the needs of the service user, and how the individual care plans were decided. She also stated that a breakdown of figures requested by the Committee would be circulated to members. She also added that funding for mental health services was provided by the NHS as well as the Council.

The Committee concluded that they required an assurance that high risk areas of operation are being monitored correctly and with vigilance.

Decision

1. To note the report.
2. To request a breakdown of the number of social care referrals and capacity.
3. To request a breakdown of the number of referrals that proceed to a commissioning panel.
4. To request a breakdown of the ethnicity of individuals accessing mental health services.
5. To request an ongoing audit of both the processes in place and the quality of the services provided.
6. To request that solutions to the ICT incompatibility are further explored.

AC/15/03 Significant Partnership Register

The report of the City Treasurer and Deputy City Treasurer contained the 2014 Register of Significant Partnerships. The format and the review and assurance process associated with the Register was outlined in the report, including an explanation of improvements made to the process since the previous register.

The Committee asked about the procedures in place to reduce the risk where the

assessment rated a partnership as medium or high risk. The Responsible Officer confirmed that there were measures in place to reduce the risk areas identified. The Committee requested that more detailed information about how this process is managed is provided in the next update to the Committee in 6 months time.

The Committee queried whether the rating for Manchester Safeguarding Adults Board (MSAB) should be changed from medium to high risk pending the outcome of the proposed peer review of adult social care. The Performance Lead confirmed that he would review the score and assessment for the MSAB in light of the concerns raised by members.

The Committee noted that new partnerships were robustly monitored to ensure that they reached the service standards required, despite reduced resources within Manchester City Council.

Decision

1. To note the report.
2. To request detailed information about the processes in place to reduce risk in partnerships rated medium or high when the next update is provided to the Committee.
3. To request that the risk rating for the Manchester Safeguarding Adults Board is adjusted to high.

AC/15/04 Council Banking Arrangements

The report of the City Treasurer provided information about progress made on changing the Council's banking arrangements following the Co-operative Bank's decision to withdraw from providing banking services for local authorities. The Committee was informed that good progress has been made to transfer the Council's accounts to Barclays Bank, and that all parties were working to the agreed timetable. Assurance levels were currently high with regard to this process.

The Committee was informed that the highest area of risk was ICT but this was proceeding without problems at the moment. The transfer of associated accounts listed in the report was also proceeding as planned, although some initial problems had been identified and resolved.

The City Treasurer confirmed that there is an ongoing process of identifying dormant and unused accounts, and as a result only active accounts are being transferred. He also confirmed that there was a three month cross over period but once accounts are closed with the Co-op, there will be no further charges for these accounts.

It was confirmed that new accounts should be open by the time the Council Tax bills are dispatched and able to receive payments.

Decision

1. To note the report.
2. To request an update on the bank account move, and the role of internal audit in this process.

AC/15/05 Internal Audit Progress Report – 3rd Quarter

The Internal Audit section delivers an annual programme of audit work designed to raise standards of governance, risk management and internal control across the Council. This work culminates in the Head of Internal Audit Annual Opinion and an Annual Assurance Report. The report of the City Treasurer and the Head of Internal Audit and Risk Management provided a summary of the work undertaken and audit opinions in the nine months to December 2014.

The Head of Internal Audit informed members that there were two specific areas where limited assurance had been given where the relevant senior officers would attend the next meeting of the Committee to inform members how they were addressing the problems identified. These were the Free Education Early Entitlement Assurance Framework and Learning Disabilities Support Plan Casework. The Committee also noted the limited assurance for ICT but no new risks had been identified. The Chair of the Finance Scrutiny Committee invited the Audit Committee to attend the next meeting where they would be considering ICT issues. The Committee's Support Officer agreed to circulate a reminder and an invitation to all members.

The Committee sought clarification on some of the terms and acronyms that were used, and this was provided. The Committee also questioned some of the other items that were identified as having limited assurance and were assured that these issues were considered to be non-critical issues for the Council, but worthy of attention.

The Committee also discussed the need for an update on progress with the improvement plan currently being implemented by officers responsible for Children's Safeguarding and Social Care. It was agreed that officers and the Executive Member for Children's Services would be invited to provide an update to the next meeting.

Decision

1. To note the report
2. To invite officers and the Executive Member for Children's Services to provide an update on the improvement plan to the next meeting of the Audit Committee.
3. To ask the Committee's Support Officer to circulate an invite for members of the Audit Committee to the next Finance Scrutiny Committee meeting.

AC/15/06 Treasury Management Strategy.

The report of the City Treasurer set out the Treasury Management Strategy for the Council for 2015/16. It is aligned with the Medium Term Financial Plan, which sets out a framework for delivery of a balanced budget, aligned to the priorities of the Community Strategy.

The City Treasurer informed the Committee that there might be a small borrowing requirement in the 2015/16 financial year. He explained the framework that underpinned the process of how this could be achieved. The Committee was assured that any borrowing would be kept to a minimum, and that the figures for potential borrowing were estimates. The Committee was also informed that any borrowing would depend on the outcomes of the capital budget process.

The City Treasurer also stated that the potential borrowing detailed in the report would continue to keep the Council within the agreed government debt limit.

Decision

To note the report and that it would subsequently be submitted to both the Executive and Finance Scrutiny Committees as part of the Budget process.

AC/15/07 Audit Committee Update from Grant Thornton

The Committee considered a report of the Council's external auditors, Grant Thornton. John Farrar, Senior Manager from Grant Thornton, explained the scope and content of the report. The report included a summary of national issues and developments that were relevant to the Council. It also detailed some changes in legislation regarding the timing of final annual accounts and audit which would have an impact on Manchester City Council.

The Committee questioned whether steps were being taken to bring the accounting and audit processes of relevant outside organisations (such as the group accounts for the Manchester Airport Group (MAG)) to align them with the legislative requirements. The committee were informed that this may not be possible or practical but all feasible steps were being taken to try and achieve this.

Decision

To note the report.

AC/15/08 Certification Report from Grant Thornton

The Committee considered a report of the Council's external auditors, Grant Thornton. John Farrar, Audit Manager for Grant Thornton explained the scope and content of the report.

The report confirmed that one claim and one return for 2013/14 had been certified, and that the fee for this had reduced by 22% as the amount of work needed had been less than anticipated.

The Committee expressed satisfaction with the reduced fee and agreed to note the report.

Decision

To note the report.