

**Manchester City Council
Report for Information**

Report to: Audit Committee - 26 March 2015
Subject: External Audit Recommendations Monitoring Report
Report of: City Treasurer / Head of Audit and Risk Management

Summary

To provide assurance to the Audit Committee and Grant Thornton that recommendations arising from external audit work have been, or are being, implemented in a timely and satisfactory fashion.

Recommendations

Audit Committee is requested to consider and comment on the External Audit Recommendations Monitoring Report.

Wards Affected:

All

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Background documents (available for public inspection):

Implementation of External Audit Recommendations Monitoring Report – Audit Committee Report, September 2014

1. Introduction

1.1 Internal Audit have liaised with the external auditor Grant Thornton and responsible managers to obtain an update on progress to implement agreed external audit recommendations. This report provides a status update.

2. Progress of External Audit Recommendations

2.1 Two recommendations have been followed up since the last progress report presented in September 2014. We have confirmed that both of these have now been implemented. The total number of recommendations made and their current status are shown in Appendix 1.

3 Status Summary

Objections to the Audit of Accounts 2011/12 Summary Report (issued September 2013)

- There were seven recommendations agreed as a result of this audit.
- One outstanding recommendation (medium priority) related to the presentation of a report on the regulatory policy approach to the Licensing and Appeals Committee. As part of the management response, it was recognised that this was a complex area, and managers have concluded that it would not be practical to provide this information to Committee as a single report. Instead, where applicable, all reports relating to regulatory and policy changes will include a short consideration of how the proposed change is expected to affect driver income and fees set. We consider this to be a pragmatic and effective approach to providing this information and consider this recommendation to be implemented.
- The remaining recommendation was that consideration be given to potential refunds arising from the review of costs and fees (low priority). In consultation with Legal Services, it was agreed that the surplus retained in the taxi reserve be used to adjust fees charged to licence applicants from 20 October 2014. This approach will be used in future years to ensure a balanced budget is maintained. We therefore consider this recommendation has been implemented.

The Annual Audit Letter 2013/14 (issued December 2014)

This report included three high level recommendations as follows:

- “The Council should monitor delivery of its improvement plan to secure improvements in children's services.
- The Council should ensure it keeps its taxi licence fee costing model, and regulatory policies under regular and timely review.
- The Council should continue its efforts to reduce the incidence of short, medium and long term sickness absence.”

We consider all of these are in progress with actions ongoing with monitoring by Council Committees. For the September meeting we will provide a summary of the position in respect of these recommendations.

4 Recommendations

4.1 Audit Committee is requested to consider and comment on the External Audit Recommendations Monitoring Report.

Appendix 1 – Recommendations and Exposure to Risk (March 2015)

Audit	Recommendations Made by External Audit Implementation Status				Assurance		
	Total agreed	Implemented to date	Number of Recs now due for Review	Outstanding	Partially Implemented	Fully Implemented	% Fully Implemented
Objections to the Audit of Accounts 2011/12 Summary Report	7	7	2	0	0	2	100%
Annual Audit Letter	3	Ongoing	0	N/A	N/A	N/A	N/A
Totals	10	7	2	0	0	2	100%