

Audit Committee: Work Programme 2017/18

Meeting Date – 30 November 2017, 10am (Report deadline tbc) 105 minutes					
Item	Lead Officer	Position	Comments	AC ToR	Time on agenda
Annual Governance Statement Update	Janice Gotts Courtney Brightwell	Deputy City Treasurer Performance Manager	Summary of the progress in implementing recommendations from the Annual Governance Statement. To consider and comment	1 3 4.10 4.12	20
Treasury Management (Interim) Report	Carol Culley Janice Gotts Karen Gilfoy Tim Seagrave	City Treasurer Deputy City Treasurer Chief Accountant Finance Lead	Update on the Treasury Management activities of the Council. To consider and comment	4.11	10
Annual Audit Letter	Mark Heap	External Audit	Report from the External Auditor on the overall findings and recommendations resulting from the annual audit plan. To consider and comment	2 4.7	10
Audit Update Report	External Audit	Mark Heap (Grant Thornton)	Update from the External Auditor in the delivery of the external audit plan. To consider and comment	4.7	5
Internal Audit Assurance Report	Tom Powell	Head of Audit and Risk	Summary of internal audit activity and report opinions to the end of quarter two. To consider and comment	4.4	20
Outstanding Audit Recommendations	Tom Powell	Head of Audit and Risk	Update on the implementation of internal and external audit recommendations for each Directorate to the end of quarter two. To consider and comment	4.5	15
Risk Review Item	Tom Powell	Head of Audit and Risk	To be confirmed with Chair and City Treasurer Report on contract governance and management from Head of Procurement	4.1	20

			and Head of Strategic Commissioning as per action AC/17/25 from 23 June meeting To consider and comment		
Work Programme and Audit Committee Recommendations Monitor	Beth Morgan	Governance Officer			5

Meeting Date – 25 January 2017, 10am (Report deadline tbc) 125 minutes					
Item	Lead Officer	Position	Comments	AC ToR	Time on agenda
Register of Significant Partnerships	Janice Gotts Courtney Brightwell	Deputy City Treasurer Performance Manager	Summary of the progress in implementing recommendations arising from the register of significant partnerships. To consider and comment	4.10 4.12	20
Annual Corporate Risk Management Report and Corporate Risk Register	Tom Powell John Gill	Head of Audit and Risk Risk and Resilience Mgr	Report on the Council's Risk Management Strategy, arrangements in place to manage risk and provision of the Corporate Risk Register To consider and comment	3 4.1	30
Grants Certification Report	External Audit	Mark Heap, Grant Thornton	Report from the External Auditor in respect of the audit of grant returns, any issues arising and associated fees. To consider and comment	4.7	10
Internal Audit Assurance Report	Tom Powell	Head of Audit and Risk	Summary of internal audit activity and report opinions to the end of quarter three. To consider and comment	4.4	20
Outstanding Audit Recommendations	Tom Powell	Head of Audit and Risk	Update on the implementation of internal and external audit recommendations for each Directorate to the end of quarter three.	4.4	15

			<i>To consider and comment</i>		
Audit Update Report	External Audit	Mark Heap (Grant Thornton)	Update from the External Auditor in the delivery of the external audit plan <i>To consider and comment</i>	4.7	5
Risk Review Item	Tom Powell	Head of Audit and Risk	Update reports from officers on areas of focus to be agreed by Committee arising from limited/no assurance Internal Audit reports, outstanding audit recommendations or management of risk <i>To consider and comment</i>	4.1	20
Work Programme and Audit Committee Recommendations Monitor	Beth Morgan	Governance Officer			5

Monitoring Previous Recommendations

This section of the report contains recommendations made by the Committee and responses to them indicating whether the recommendation will be implemented, and if it will be, how this will be done.

Date	Item	Recommendation	Response	Contact Officer
26 January 2017	AC/17/03 Internal Audit Progress Report 2016/17	The Committee recommended that the revised reporting mechanism shall be reported to the Audit Committee.	A response to this recommendation has been requested and will be reported back to the Committee.	Carol Culley City Treasurer
6 March 2017	AC/17/19 Internal and External Recommendations	<p>To agree that the finalised Internal Audit reports and recommendations are to be shared by Internal Audit with the relevant Executive Member as well as the Strategic Director.</p> <p>To agree that the relevant Executive Member should be informed by Internal Audit at the six month stage of any outstanding recommendations.</p> <p>To agree that the relevant Executive Member and Strategic Director shall attend the Audit Committee to explain why any recommendation remains outstanding after nine months.</p>	See minutes 23 June 2017	
23 June 2017	AC/17/24	To request the process is changed so that a list of recommendations that were overdue more than 6 months but less	Update – complete – see minutes 31 August 2017	

	<p>Internal and External Audit Recommendations.</p> <p>(Updated)</p>	<p>than 9 months should be brought to the committee going forward.</p> <p>To receive a report on recommendations overdue more than 9 months to include detail of the action taken in the period they became overdue more than 6 months.</p>		
<p>23 June 2017</p>	<p>AC/17/25 Internal Audit Annual Assurance Report 2016/17</p>	<p>To receive a detailed report on the Peer Review conducted by Liverpool City Council and the response of Manchester City Council Internal Audit.</p> <p>To receive a report from the relevant Executive Member and Director about the recommendations and actions taken to improve contract management and governance.</p> <p>To receive a report on the recommendations of Internal Audit to improve the Council's contract creation and formalisation processes.</p> <p>To recommend that the language used in reports accurately reflects the level of oversight that the Audit Committee has.</p> <p>To recommend as standard that the report contains a trend analysis of identified issues.</p>	<p>Update – to be reported 5 October 2017</p>	

23 June 2017	AC/17/26 Draft Annual Governance Statement 2016/17	To recommend that the Annual Governance Statement includes more information on Corporate Complaints and a link to the Annual Corporate Complaints report.		
23 June 2017	AC/17/28 Partnership Governance Improvement: Manchester Safeguarding Children's Board	To recommend that the Chair of the Audit Committee write to the Independent Chair of Manchester Safeguarding Children and Adults Boards thanking her for the progress made to strengthen the governance of both Boards		
23 June 2017	AC/17/30 External Audit Update report.	To recommend that the City Treasurer provide members of the Committee with the LOBO Decision Notice when it is issued.		
27 June 2017	AC/17/37 Capital Outturn Report 2016/17.	To receive an update in the course of the normal reporting by internal audit to the Committee, on the governance of the ICT Capital Programme as part of the Capital Strategy monitoring to be carried out by Internal Audit.	ICT Disaster Recovery Planning to be reported 5 October 2017	

27 June 2017	AC/17/38 Revenue Outturn Report 2016/17.	To recommend that the report on agency staff spend which will go to the HR sub-group include information on the costs of senior interim staff; impact of a failure and delays to recruitment of replacement staff on existing staff and the provision of services.		
27 June 2017	AC/17/39 Highways Improvement – Update Report.	<p>To request a further report to be presented at the August meeting of the Audit Committee by the Strategic Director Highways, Transport and Engineering in person, containing comparative facts, figures and statistics, measurable targets and delivery dates including but not limited to the following areas.</p> <ul style="list-style-type: none"> • Governance, the Strategic Management Board and the Chief Executive’s oversight; <ul style="list-style-type: none"> a. HR, including the management strategy for the directorate; senior recruitment; and development of internal delivery teams; • Finance, including but not limited to the repairs and maintenance budget, areas of overspend and plans for the expanded capital budget; <ul style="list-style-type: none"> a. Progress against the original internal audit recommendations 	Completed – see minutes 31 August 2017	

		<p>and those received in the subsequent monitoring report to include but not limited to contracting and inspection processes and gullies;</p> <p>To request a separate report from Internal Audit that reviews the recommendations made at the point of the no assurance opinion, and the progress made in the implementation of those recommendations and those subsequently made at the repeat visit.</p>		

Meeting Date – End March 2018 (tbc), 10am (Report deadline tbc) 185 minutes

Item	Lead Officer	Position	Comments	AC ToR	Time on agenda
Draft Annual Governance Statement (AGS)	Janice Gotts Courtney Brightwell	Deputy City Treasurer Performance Lead	To advise the processes followed to produce the AGS and obtain Audit Committee input to the draft statement. To consider and comment	1 3 4.10 4.12	30
Accounting Concepts and Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty	Carol Culley Janice Gotts Karen Gilfoy	City Treasurer Deputy City Treasurer Chief Accountant	To explain the accounting concepts and policies, critical accounting judgements and key sources of estimation uncertainty that will be used in preparing the accounts. To consider and comment	1 4.9	10

Head of Audit and Risk Management Annual Opinion	Tom Powell	Head of Audit and Risk	Head of Internal Audit and Risk Management Annual Opinion on the Council's systems of governance, risk management and internal control as well as a summary of audit work undertaken in the year. To consider and comment	4.6	30
Review of Effectiveness of Internal Audit	Carol Culley Tom Powell	City Treasurer Head of Audit and Risk	To consider organisational arrangements for the delivery of internal audit in line with legislation and Public Sector Internal Audit Standards. To include review of Audit Committee Terms of Reference and Internal Audit Charter. To consider and comment	3	15
Annual Internal Audit Plan	Tom Powell	Head of Audit and Risk	To provide the Internal Audit Strategy and annual internal audit work plan for Audit Committee consideration in line with Public Sector Internal Audit Standards. To consider and comment (review and assess)	4.2 4.3	20
Audit Plan (External Audit)	External Audit	Mark Heap	To provide an overview of the planned scope and timing of the annual external audit. To consider and comment		10
Audit Update Report	Mark Heap	External Audit (Grant Thornton)	Update from the External Auditor in the delivery of the external audit plan To consider and comment	4.7	5
Risk Review Item	Tom Powell	Head of Audit and Risk	Update reports from officers on areas of focus to be agreed by Committee arising from limited/no assurance Internal Audit reports, outstanding audit recommendations or management of risk. To consider and comment	4.1	20
Work Programme and Audit Committee Recommendations Monitor	Beth Morgan	Governance Officer			5

Meeting Date – Mid June 2018 (tbc), 10am (Report deadline tbc) 90 minutes					
Item	Lead Officer	Position	Comments	AC ToR	Time on agenda
Internal Audit Annual Report	Tom Powell	Head of Audit and Risk	Report of internal audit activity for the year. To consider and comment	4.4	10
Draft Annual Statement of Accounts	Carol Culley Janice Gotts Karen Gilfoy	City Treasurer Deputy City Treasurer Chief Accountant	To report the Annual Accounts prepared for submission to the external auditor for review. To note	1	30
Revenue Budget Outturn Report	Carol Culley	City Treasurer	To report the revenue outturn for the year as reported to Executive. To note	1	5
Capital Budget Outturn Report	Carol Culley	City Treasurer	To report the capital outturn for the year as reported to Executive. To note	1	5
Treasury Management (Outturn) Report	Carol Culley Janice Gotts Karen Gilfoy Tim Seagrave	City Treasurer Deputy City Treasurer Chief Accountant Finance Lead	To report the Treasury Management activities of the Council for the year. To consider and comment	4.11	10
Audit Update Report	Mark Heap	External Audit (Grant Thornton)	Update from the External Auditor in the delivery of the external audit plan To consider and comment	4.7	5
Risk Review Item	Tom Powell	Head of Audit and Risk	Update reports from officers on areas of focus to be agreed by Committee arising from limited/no assurance Internal Audit reports, outstanding audit recommendations or management of risk. To consider and comment	4.1	20
Work Programme and Audit Committee Recommendations Monitor	Beth Morgan	Governance Officer			5

Meeting Date – End July 2018 (tbc), 10am (Report deadline tbc) 145 minutes					
Item	Lead Officer	Position	Comments	AC ToR	Time on agenda
Annual Statement of Accounts	Carol Culley Janice Gotts Karen Gilfoy	City Treasurer Deputy City Treasurer Chief Accountant	To seek Audit Committee approval for the Annual Accounts following external auditor review. Item to include confirmation of completion of: <ul style="list-style-type: none"> Letters / enquires for the City Treasurer and Audit Committee Chair Letter of Representation To consider and comment	1	30
Audit Findings Report	External Audit	Mark Heap, Grant Thornton	Report from the External Auditor confirming progress and any issues arising from the audit of the accounts. To consider and comment	4.7	20
Risk Review Item	Tom Powell	Head of Audit and Risk	Update reports from officers on areas of focus to be agreed by Committee arising from limited/no assurance Internal Audit reports, outstanding audit recommendations or management of risk. To consider and comment	4.1	20
Work Programme and Audit Committee Recommendations Monitor	Beth Morgan	Governance Officer			5
Annual Counter Fraud Report	Tom Powell	Head of Audit and Risk	Annual report of counter fraud activity To consider and comment	4.1	30

Meeting Date – End September 2018 (tbc), 10am (Report deadline tbc) 55 minutes					
Item	Lead Officer	Position	Comments	AC ToR	Time on agenda
Internal Audit Assurance Report	Tom Powell	Head of Audit and Risk	Summary of internal audit activity and report opinions to the end of quarter one. To consider and comment	4.4	20
Outstanding Audit Recommendations	Tom Powell	Head of Audit and Risk	Update on the implementation of internal and external audit recommendations for each Directorate to the end of quarter one. To consider and comment	4.4	15
Risk Review Item	Tom Powell	Head of Audit and Risk	Update reports from officers on areas of focus to be agreed by Committee arising from limited/no assurance Internal Audit reports, outstanding audit recommendations or management of risk. To consider and comment	4.1	20
Work Programme and Audit Committee Recommendations Monitor	Beth Morgan	Governance Officer			5

Audit Committee Terms Of Reference: As Constitution May 2017

1. To consider and approve the authority's statement of accounts, including the Annual Governance Statement in accordance with the Accounts and Audit Regulations 2015.
2. To consider, as soon as reasonably practicable, the annual letter from the external auditor in accordance with the Accounts and Audit Regulations 2015 and to monitor the Council's response to individual issues of concern identified
3. To consider the findings of the Council's annual review of the effectiveness of its system of internal control under the Accounts and Audit Regulations 2015, including the effectiveness of its system of internal audit
4. In furtherance of the Council's duty to make arrangements for the proper administration of its financial affairs and the Committee's responsibilities under the Accounts and Audit Regulations 2015 set out above:
 - 4.1. To obtain assurance over the Council's corporate governance and risk management arrangements, the control
 - 4.2. To review and approve (but not direct) the terms of reference for internal audit and an Internal Audit Strategy.
 - 4.3. To review and approve (but not direct) the internal annual audit programme considering the effectiveness of proposed and actual coverage in providing adequate assurance over the Council's arrangements for governance, risk management and system of internal control.
 - 4.4. To monitor the implementation and outcomes of the Council's internal audit programme and where required, to review summary and individual audit reports with significant implications for financial management and internal control.
 - 4.5. To seek assurance on the adequacy of management response to internal audit advice, findings and recommendations in the form of implementation of agreed action plans
 - 4.6. To receive the Annual Report of the Head of Internal Audit

- 4.7. To consider the external auditor's annual letter, relevant reports and the annual report to those charged with governance on issues arising from the audit of the Statement of Accounts.
- 4.8. To engage with the external auditor and external inspection agencies and other relevant bodies to ensure that there are effective relationships between external and internal audit.
- 4.9. To make recommendations to the Chief Finance Officer and Monitoring Officer in respect of Part 5 of the Council's Constitution (Financial Regulations).
- 4.10. To consider the Code of Corporate Governance.
- 4.11. To monitor the performance of the Treasury Management function including:
 - approval of / amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
 - budget consideration and approval
 - approval of the division of responsibilities
 - receiving and reviewing regular monitoring reports and acting on recommendations
 - approving the selection of external service providers and agreeing terms of appointment.
- 4.12. To consider and advise the Council on the Annual Governance Statement.