



## **Audit Committee**

Date: Monday, 11 March 2019

Time: 10.00 am

Venue: Council Antechamber, Level 2, Town Hall Extension

Everyone is welcome to attend this committee meeting.

**There will be a private meeting for Members only at 9.30am in Committee Room 6 (Room 2006), 2nd Floor of Town Hall Extension. A Town Hall pass is needed to reach this room.**

### **Access to the Council Antechamber**

Public access to the Council Antechamber is on Level 2 of the Town Hall Extension, using the lift or stairs in the lobby of the Mount Street entrance to the Extension. That lobby can also be reached from the St. Peter's Square entrance and from Library Walk. **There is no public access from the Lloyd Street entrances of the Extension.**

### **Filming and broadcast of the meeting**

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## **Membership of the Audit Committee**

**Councillors** - Ahmed Ali (Chair), Connolly, Lanchbury, Russell, A Simcock, Watson,

**Independent Co-opted Members** – Mr S Downs and Dr D Barker

## Agenda

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- 1. Urgent Business**  
To consider any items which the Chair has agreed to have submitted as urgent.
- 2. Appeals**  
To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.
- 3. Interests**  
To allow Members an opportunity to [a] declare any personal, prejudicial or disclosable pecuniary interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears; [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that at the start of the item under consideration. If Members also have a prejudicial or disclosable pecuniary interest they must withdraw from the meeting during the consideration of the item.
- 4. Minutes** 5 - 12  
To approve as a correct record the minutes of the meeting held on 11 February 2019.
- 5. [10.05 - 10.15] Risk Based Verification**  
Report to follow.
- 6. [10.15 - 10.30] Counter Fraud Policies Update** 13 - 84  
Report of the Head of Internal Audit and Risk Management is attached
- 7. [10.30 - 10.50] Corporate Risk Register** 85 - 118  
Report of the City Treasurer and Head of Internal Audit and Risk Management is attached.
- 8. [10.50 - 11.00] Accounting Concepts and Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty**  
Report to follow.
- 9. [11.00 - 11.20] Risk Review Item - Update on actions taken in progressing internal audit recommendations in respect of Transition (to Adulthood) and Homecare Contracts**  
Report to follow.

10. **[11.20 - 11.25] Work Programme and Audit Committee Recommendations Monitor** 119 - 126
- The Work Programme and Recommendations Monitor is enclosed.

## Information about the Committee

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The Committee is responsible for approving the Council's statement of accounts; considering the Audit Commission's Annual Audit and Inspection Letter and monitoring the Council's response to individual issues of concern identified in it. The Committee also considers the Council's annual review of the effectiveness of its systems of internal control and assurance over the Council's corporate governance and risk management arrangements, and engages with the external auditor and external inspection agencies to ensure that there are effective relationships between external and internal audit.

The Council is concerned to ensure that its meetings are as open as possible and confidential business is kept to the strict minimum. When confidential items are involved these are considered at the end of the meeting at which point members of the public are asked to leave.

The Council welcomes the filming, recording, public broadcast and use of social media to report on the Committee's meetings by members of the public.

Agenda, reports and minutes of all Council Committees can be found on the Council's website [www.manchester.gov.uk](http://www.manchester.gov.uk).

Smoking is not allowed in Council buildings.

Joanne Roney OBE  
Chief Executive  
Level 3, Town Hall Extension,  
Albert Square,  
Manchester, M60 2LA

## Further Information

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For help, advice and information about this meeting please contact the Committee Officer:

Andrew Woods  
Tel: 0161 234 3011  
Email: [andrew.woods@manchester.gov.uk](mailto:andrew.woods@manchester.gov.uk)

This agenda was issued on **Friday, 1 March 2019** by the Governance and Scrutiny Support Unit, Manchester City Council, Level 3, Town Hall Extension (Lloyd Street Elevation), Manchester M60 2LA.

## **Audit Committee**

### **Minutes of the meeting held on 11 February 2019**

#### **Present:**

Councillor Ahmed Ali - In the Chair  
Councillors Connolly, Lanchbury, Russell, A. Simcock and Watson  
Mr S Downs (Co-opted member) and Dr D Barker (Co-opted member)

#### **Apologies: -**

#### **Also in attendance:**

Councillor B Craig (Executive Member for Adults Health & Wellbeing)  
Mr Chris Jeffries (Chair, Audit Committee – Manchester Clinical Commissioning Group)

### **AC/19/01      Minutes**

The minutes of the Audit Committee held on 10 December 2018 were submitted for approval.

#### **Decision**

To approve the minutes of the meeting held on 10 December 2018 as a correct record.

### **AC/19/02      Audit Strategy Memorandum**

Members considered the report of Mazars, the Councils appointed external auditor, which provided the Committee with the Audit Strategy Memorandum for the City Council for the year ending March 2019. The memorandum provided a summary to:

- Set out the audit approach;
- Identify significant audit risks and areas of key judgements
- Provide details of the audit team.

The Chair invited questions from the Committee.

A member requested an explanation of misstatements, referred to in the memorandum, regarding the material threshold level of triviality (£1.5m) and the potential that a number of errors occurring below the threshold could result in a significant amount.

It was reported that items below the material threshold would not be reported as a matter of course however, a number of errors in the same area of service would be highlighted. Members were informed that the practice of not reporting matters with no material impact is within the scope of national audit work.

A member asked for a position regarding the preparations in place for the completion submission of council's accounts by the July 2019 deadline.

It was reported that the preparations for the council's annual accounts were in place with the required information expected by the May deadline. An exercise would be undertaken to consolidate the Airport Group accounts and formalise accountancy practices. Work had also been undertaken to trial an earlier accounts deadline for the Airport Group using draft accounts in May to achieve a final version in July.

### **Decision**

To note the report submitted.

### **AC/19/03 Internal Audit Assurance Report**

Members considered the report of the City Treasurer and the Head of Internal Audit and Risk Management which presented a summary of audit work being undertaken and opinions issued for the period April to December 2018, as part of the annual programme of audit work across the Council.

The Head of Internal Audit and Risk Management introduced the report and provided an update on audit work and changes made within the audit plan.

The Committee was also informed that the Council would continue to issue press releases to public raise awareness of counter fraud investigations resulting in convictions.

The Chair invited questions from the Committee.

A member made reference to the requirement of three quotations for goods and services over the value of £2000 and asked officers how the level is set in view of the difficulties for schools in obtaining three quotations for such a low level of spend. Officers were also asked what impact the introduction of General Data Protection Regulations (GDPR) has had on the volume of Data Protection work within schools.

It was reported that the financial regulations used by schools is the same as that used by the City Council which also requires three quotations for services with a value of £2000 and over. The Committee was informed that the introduction of GDPR had raised the profile of Information Rights, which had resulted in increased activity and this had involved support and advice provided through the Internal Audit Data Protection Officer service to schools.

A member referred to the limited assurance opinion in relation to the Mental Health Casework Audit and asked officers how the issues arising from the audit were being addressed.

It was reported that a holistic approach would be taken in addressing the issues as part of the Adult Services Directorate Business Plan and Improvement Plan which

had been shared with Internal Audit.

A member expressed concern regarding assurance findings within Adult Services, in particular, the issues relating to:

- mental health casework audit findings;
- limited assurance for arrangements in place for management oversight and supervision;
- outstanding recommendations from the audit of homecare contracts and transitions to adulthood;
- importance of a successful Liquidlogic system implementation

A member proposed that the Health Scrutiny Committee be made aware of the issues highlighted and to refer the report submitted for Scrutiny ensure that the improvement plan is addressing those areas of concern.

Officers were asked to provide further explanation of the issues relating to limited assurance of the Highways Framework TC886. Officers were also requested to check to ensure that the recommendation had been completed by management to address the issues raised by the end of the financial year 2018/19.

The Committee was informed that TC886 is a highways repair contract where concern had been raised on the operation of the contract framework which is not operating as was original proposed.

A member referred to the limited assurance relating to frameworks agreements, in particular, taxis, highways and financial services as referred to in the report and asked if this would be extended to other areas.

The Committee was informed that the audit of other framework agreements could be extended across the Council and will be included in the planning of the work programme based on the internal audit findings as outlined.

## **Decisions**

1. To note the report submitted.
2. To note with concern the comments raised relating to Adult Services, in particular, the length of time that particular areas of the service have not shown improvement in the level of assurance given.
3. To refer the report submitted to the Health Scrutiny Committee for information and to draw the Committee's attention to the concerns raised regarding Adult Services.

## **AC/19/04 Internal Audit: Manchester Support for Independent Living (MSIL) Risk Assessment and Audit Plan**

The Committee considered the report of the City Treasurer and the Head of Internal

Audit and Risk Management which presented a summary of the rationale for deferring an audit of Manchester Support for Independent Living until 2019/20 and replacing it with an audit of Deprivation of Liberties and Safeguarding. The report provided an explanation of the basis of the risk assessment and alternative means of assurance.

The Chair invited questions from the Committee.

A member expressed concern on the Audit Plan regarding the level of focus given on service areas supporting individuals that should be allocated a higher level of importance. Reference was also made to the length of time taken to make an assessment, which had an average of seven months and asked, in view of this delay, how long did the work identified take to complete.

The Head of Internal Audit and Risk Management noted the comments made and reported that the Audit Plan provides a rounded audit assurance across the breadth of all activities of the Council. This would include the audit of services concerned with the health and wellbeing of residents as well as other services. The point raised regarding assessment time within MSIL would be considered as part of the planning for the audit of this service within the Audit Plan Quarter 1 - 2019/20.

The Committee discussed the preparation of the Annual Internal Audit Plan and the involvement of the Audit Committee in that process. The Committee was informed that preparations for the Audit Plan 2019/20 were ongoing and a report would be submitted to the April meeting of the Audit Committee. Members commented that the Committee should have opportunity to input earlier in the process rather than just at the approval stage and it was suggested that a report containing proposals be available before the beginning of new financial year.

Arising from the discussion the Head of Internal Audit and Risk Management reported that there would be difficulty in providing the Committee with a draft version of the Audit Plan prior to the April meeting. The Committee was informed that the preparation of the Audit Plan 2020/21 would be addressed within the Audit Strategy report and this would include input from other sources including issues arising from member casework for potential areas of service to audit. A draft 'visioning' document would be produced for consideration at the December 2019 meeting of the Committee.

## **Decisions**

1. To note the report submitted and the comments made.
2. To request the Head of Internal Audit and Risk Management to include a draft Annual Audit Plan Visioning report item in the Annual Work Programme 2019/20 for submission to the December 2019 meeting of the Committee.

## **AC/19/05 Outstanding Audit Recommendations**



The report of the City Treasurer and the Head of Internal Audit and Risk Management was considered which presented a summary of the current implementation position in respect of the high priority Internal Audit recommendations.

The Chair invited questions from the Committee.

A member referred to the outstanding audit recommendations relating to Transitions to Adults Services, Homecare Contract and Liquidlogic implementation and the reasons for this. The Head of Internal Audit and Risk Management was asked if there was confidence that the audit recommendations would be completed by March 2019 and if not would the Director of Adult Services be invited to attend the next meeting of the Committee. A member asked if officers were aware of other potential knock on effects of ICT related issues in other services areas.

The Head of Internal Audit and Risk Management explained that the timing of the process involving the circulation of reports to members and officers had been a factor in the delay. There was a potential risk that the recommendations may not be fully implemented relating to the Homecare Contract work and Transition to Adult Services.

The City Treasurer stated that it would be helpful to have the relevant officers present at the next meeting to explain the current audit position to the Committee. In addition, consideration would be given to other potential areas of high risk.

## **Decisions**

1. To note the report submitted and the comments received.
2. To invite the Director of Adult Services to attend the next meeting of the Committee to provide a service wide report, that is supported by Children's Services, to respond to the concerns raised regarding the overdue audit work relating to:
  - Transition to Adult Services;
  - Homecare Contract.

## **AC/19/06 Register of Significant Partnerships**

The Committee considered the report of the Deputy Chief Executive containing the Register of Significant Partnerships 2018. The report presented the format and review and assurance process associated with the register. The report also focussed on partnerships which have been added to the Register during 2018 and those where the governance strength rating had changed or where the rating remains 'Medium' or 'Low' following completion of the latest self-assessment.

The Chair invited questions from the Committee.

A member referred to the level given to the governance rating given the Manchester

Safeguarding Adults Partnership Board (MSAPB) and the process used to assess and determine the rating. Officers were asked how the disparity of a 'high' rating is addressed where there were issues of concern identified on the operational delivery of a service and was this replicated across the Partnership Register.

It was reported that there is a three stage process involving production of a self-assessment that in turn is assessed by an experienced panel to justify the governance strength applied. The governance assessment is then either confirmed or revised if it is not considered appropriate.

The Executive Member (Adult Health and Wellbeing) addressed the Committee and explained that changes introduced from the lessons learned had helped to strengthen the governance arrangements of the MSAPB. The point was made that audit work is based on a snapshot of the subject area at a point in time, however the issues identified may reduce as a result of recommended changes for improvement.

A member referred to Brunswick PFI (entry 50 on the Register of Significant Partnerships) and proposed that, in view of the concerns expressed within the report on refurbishment programmes not being achieved, the matter be referred to the Resource and Governance Scrutiny Committee.

A member made reference to the Northern Gateway (entry 15 on the Register of Significant Partnerships) and questioned the 'Medium' Governance Strength rating in view of the significance of the partnership and what this will deliver to Manchester. It was reported that from the comments raised, the significance rating of the Northern Gateway would be reassessed.

A member referred to the Factory Project (Manchester International Festival) and asked if this was a significant enough partnership to be included on the Register of Significant Partnerships.

The Committee was informed that the Factory Project would be subject to an assessment to determine its inclusion on the Register.

## **Decisions**

1. To note the report submitted and comments received, in particular, the concerns raised regarding Brunswick PFI and Northern Gateway.
2. To refer the Brunswick PFI for consideration by the Resource and Governance Scrutiny Committee.

(The Chair adjourned the meeting: 11:30am – 11:40am.)

## **AC/19/07     Health and Social Care Assurance Framework**

The Committee considered the report of the Head of Internal Audit and Risk Management, which provided the key elements of the current health and care

assurance framework with a focus on governance and assurance from a Council perspective.

The report provided an outline of the assurance framework across the partnership involved in the coordination of health and care services to Manchester residents and how the partnerships interact with the Council's assurance framework.

The Chair invited questions from the Committee.

A member referred to paragraph 6.2 of the report and the issue of liaison between auditors of the Council and its partners and asked officers where had liaison proved to be less effected and when would the development of processes be completed. Reference was also made to the integration of health and social care with the purpose of empowering communities and officers were asked if governance arrangements were proposed to implement this at a local level.

The Committee was informed that the issue of liaison between auditors related to auditing work that had been undertaken which had not been notified to the Council's auditors or partnership auditors. Discussions had been held between auditors resulting in the production of a draft working protocols and joints plans document for introduction in 2019/20.

The Executive Member for Adults Health & Wellbeing reported that from a local governance perspective, neighbourhood working through the use of boards was ongoing and this would be included in the memorandum of understanding with the interested partners. This had helped to connect with groups with decision making into a very complex process.

In welcoming the arrangements and processes to introduce and develop local governance, the point was made that the importance of the strategic process was to effect positive outcomes for people at a local level. Officers were also asked that, in view of the separate nature of the audit work undertaken by partners, was it possible to meet at a joint level with the partner audit committees to better understand the breadth of the audit work involved. Also could the Audit Plan include an item that would involve a joint meeting with partnership audit members.

The Audit Committee Chair (Manchester CCG) addressed the Committee and welcomed the opportunity to meet with the Chair of the Committee to identify areas of overlap between the two committees and produce a joint planning paper.

A member stated that consideration needed to be given in the establishment of audit committees within the partner organisations to avoid the duplication of processes and create a streamlined integrated audit service.

The Executive Member (Adult Health & Wellbeing) made the point that in welcoming the opportunity for the two audit committee chairs to meet it was also important to consider that the Council already had planning and meeting structures in place where health and social care matters are reported, scrutinised and accountable.

A member commented that the Audit Committee could receive the minutes of the

Manchester Local Care Organisation Audit Committee to be made aware of the matters being audited.

### **Decisions**

1. To note the report submitted and the comments received.
2. To note the current assurance framework, planned developments.
3. To note that arrangements will be made for a meeting of the Chair of the Audit Committee (Councillor Ahmed Ali) and Councillor Russell (as an Audit Committee Member) and the Chair of the Audit Committee (Manchester CCG) to identify and discuss areas of potential common interest between the two audit committees.
4. To request that the minutes of the Manchester Local Care Organisation Audit Committee be submitted to the Audit Committee for information.

### **AC/19/08      Work Programme and Audit Committee Recommendations Monitor**

The report of the Governance and Scrutiny Support Unit which contained responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

### **Decisions**

To note that the Work Programme and Recommendations Monitor will be updated for the next meeting of the Audit Committee.

**Manchester City Council  
Report for Information**

**Report to:** Audit Committee - 11 March 2019  
**Subject:** Counter Fraud Policy Update  
**Report of:** Head of Internal Audit and Risk Management

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**Summary**

It is the role of the Chief Executive, in conjunction with the City Treasurer and the City Solicitor to develop and maintain an anti-fraud and anti-corruption policy, whistle-blowing policy and risk management processes.

The role of Audit Committee is “to obtain assurance over the Council’s corporate governance and risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements”. This includes having sight of key policies and procedures in respect of anti-fraud and anti-corruption arrangements.

This reports presents updated drafts of the Whistleblowing, Anti-Money Laundering and Anti-Bribery Policies for Audit Committee review and comment prior to approval.

**Recommendation**

Audit Committee are requested to note the draft policies in advance of approval by the Chief Executive.

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**Wards Affected:** All

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**Financial Consequences:** None

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**Contact Officers:**

Name: Carol Culley  
Position: City Treasurer  
Telephone: 0161 234 3406  
Email: c.culley@manchester.gov.uk

Name: Tom Powell  
Position: Head of Internal Audit and Risk Management  
Telephone: 0161 234 5273  
E-mail t.powell@manchester.gov.uk

**Background Documents (available for public inspection):**

Whistleblowing Policy Update Reports to Audit Committee 6 March 2017; Standards

Committee 2 November 2017; and Personnel Committee 4 November 2017.  
Anti-Money Laundering Policy presented to Audit Committee June 2017.  
Anti-Bribery Policy reported to Audit Committee January 2012 and Executive  
February 2012.

## **1. Introduction**

- 1.1. In accordance with the Accounts and Audit Regulations and the principles of good governance the Council is required to maintain appropriate systems of internal control, including arrangements to prevent and detect fraud and corruption.
- 1.2. The purpose of this report is to provide Members of the proposed changes to three of the Council's key counter fraud policies; Whistleblowing, Anti-Money Laundering and Anti-Bribery.

## **2. Background**

- 2.1. The prevention and detection of fraud and corruption helps protect financial assets, ensuring legality and maintain a positive reputation for the Council. In demonstrating a robust approach to fraud and corruption the Council promotes confidence with officers, Members, stakeholders and the public. By investigating issues of potential fraud or corruption the Council demonstrates transparency, openness and a willingness to address matters of wrongdoing.
- 2.2. The Council is committed to ensuring the people of Manchester can have confidence that the affairs of the Council are conducted in accordance with the highest standards of probity and honesty.
- 2.3. In seeking to ensure this commitment is met, the Council has a counter fraud policy and strategy which establishes and defines the overall approach to combating fraud, corruption and wrongdoing. Below this sit various counter-fraud related policies, supporting procedural documents and behaviour codes which describe the arrangements in place for preventing, detecting and investigating fraud and error. These together with a strong internal control environment are the main methods to help protect the Council against the risk of fraud. The Internal Audit Service acts on behalf of the City Treasurer in ensuring these arrangements are regularly reviewed and remain effective.
- 2.4. Whilst the principles of the policies apply, any concerns raised in relation to Members will be investigated and addressed through the Council's Standards Committee.

## **3. Counter Fraud Strategy, Policies and Procedures**

- 3.1. The Council's overall approach to protect the public funds entrusted to it against fraud and loss is set out in the Counter Fraud Policy and Counter Fraud and Irregularity Strategy. The documents describe the policy framework for preventing fraud and irregularity, the Council's approach to countering fraud within each of the component areas (acknowledge, deter, prevent, investigate and pursue) and the key priorities for delivering the strategy (these documents will be provided to Audit Committee as part of the Annual Fraud Report).

- 3.2. The approach to delivering the strategy includes the implementation of key policy documents; namely Whistleblowing, Anti-Money Laundering and Anti-Bribery. These are summarised below:

#### Whistleblowing Policy

- 3.3. Whistleblowing remains one of the key means of reporting suspected irregularity, wrongdoing or misconduct. Concerns can be raised either anonymously or by a named individual.
- 3.4. The Council's Whistleblowing Policy was last reviewed by Audit Committee in March 2017. The policy sets out how individuals can raise concerns; including a dedicated telephone line, an email account maintained by officers within Internal Audit, in writing or in person. The latter two may be received by officers within Internal Audit, HROD or via line management within the business area.
- 3.5. The review and refresh of the policy has not resulted in any substantial changes to the content, however it has resulted in some amendments to reflect the following:
- References to the General Data Protection Regulations (GDPR) following the introduction of the new Regulations; and
  - Feedback following an independent, external review of the policy by the leading whistleblowing charity Protect. This review confirmed the content as fit for purpose but did recommend greater emphasis on the policy's application to employees and workers to reflect the Council's responsibilities under the Public Interest Disclosure Act (PIDA), which provides employees and workers with protections from suffering detriment if raising genuine issues of concern. The policy does still recognise that members of the public will report concerns to Internal Audit and that such matters will be processed in line with the principles of the whistleblowing policy; however the individuals are not covered under PIDA legislation.

#### Anti-Money Laundering Policy

- 3.6. The policy defines the responsibilities of officers in respect of the various pieces of legislation including the Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and Serious Crime Act 2015), Terrorism Act 2000 and the Money Laundering and Transfer of Funds (Information to the Payer) Regulations 2017.
- 3.7. The Anti-Money Laundering Policy was last reviewed by Audit Committee in June 2017 and has since been refreshed to include reference to GDPR and the related Regulations which have been introduced in the interim period.

#### Anti-Bribery and Criminal Facilitation of Tax Evasion Policy

- 3.8. The policy refers to the Bribery Act 2010 and confirms that the Council will not tolerate the offering, promising, giving, receiving or soliciting of financial or other advantage for the purpose of inducing a person to perform improperly a



function or activity of an official in the discharge of his or her public/legal duties. The legislative framework remains unchanged since the policy document was last reviewed by Audit Committee in January 2012.

- 3.9. The policy has been updated and renamed to incorporate the Criminal Finances Act 2017 and in particular corporate offences relating to the failure to prevent the criminal facilitation of tax evasion. The policy has been amended to reflect the responsibilities of officers in respect of this legislation.
- 3.10. As with both the Whistleblowing and Anti-Money Laundering Policies, the document has been updated for the introduction of the GDPR.
- 3.11. The structure of the policy has been reviewed alongside a review of policies used across comparable organisations.

#### **4. Development Activities**

- 4.1. To support the policy review and update and as part of the Annual Internal Audit Plan approved by Audit Committee, Internal Audit committed to help raise awareness of whistleblowing across the organisation. To do this we have:
  - Engaged with the whistleblowing charity Protect to provide access to a free confidential, telephone advice line manned by legal officers who are able to advise employees across the Council and in schools.
  - Completed specialist training for officers from HR, Legal Services and Internal Audit with responsibility for handling whistleblowing concerns to enhance their understanding of the subject and legislative responsibilities.
  - Developed an e-learning training package that all can staff access. This includes whistleblowing, anti-bribery and anti-money laundering as well as general fraud awareness.
- 4.2. To ensure staff are aware of the updated policies, introduction of the advice line and fraud awareness training we have liaised with the corporate Communications Team and proposed an article for inclusion within the Forum to signpost staff to the sources of learning and advice. The whistleblowing policy and the above proposals have been shared with the Trades Unions and as a result of their comments and suggestions, a six month review of the efficacy of the advice line and wider whistleblowing investigation arrangements has been agreed.

#### **5. Recommendations**

- 5.1 Audit Committee are requested to note the draft policies in advance of approval by the Chief Executive.



# Draft Whistleblowing Policy

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Policy and Guidance for Whistleblowers

**Audit and Risk Management**

March 2019

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# Whistleblowing Policy

## 1. Introduction

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- 1.1 Manchester City Council is committed to the highest possible standards of honesty, openness and accountability and will not tolerate malpractice or wrongdoing.
- 1.2 Whistleblowing is generally the term used when someone who is employed in an organisation reports a concern about suspected wrongdoing, malpractice, illegality or risk in the workplace.
- 1.3 The Council's Whistleblowing Policy is a vital element of our governance arrangements and is designed to allow those employed by the Council to come forward and raise both disclosures and serious allegations of wrongdoing involving the actions of the Council's employees, its Councillors, contractors or any aspect of the Council's activities.
- 1.4 As such the Council is committed to a policy which seeks to protect those individuals who make certain disclosures with regard to any instance of malpractice or wrongdoing and to investigate them in the public interest.
- 1.5 This policy seeks to set out how the Council will handle and respond to serious allegations of perceived wrongdoing raised by employees and workers of the Council.

## Aims and Scope

- 1.6 Our whistleblowing policy seeks to cover all disclosures and allegations made by Council employees, including temporary and agency staff and those employed in community schools, community special schools, voluntary controlled schools and maintained nursery schools.
- 1.7 It also extends to any other individuals who work for the Council who want to raise an allegation of perceived wrongdoing, including consultants, contractors and sub-contractors who are engaged in work for the Council.
- 1.8 The policy seeks to:
  - provide for a culture of zero tolerance toward fraud and corruption and deter wrongdoing;
  - encourage employees and workers with serious concerns about any aspect of the Council's work to feel confident to come forward and voice those concerns;
  - raise concerns at an early stage and in the right way ensuring that critical information gets to the people who need to know and who are able to take action;
  - provide safeguards to reassure those who raise concerns in the public interest and not maliciously or for personal gain, that they can do so without fear of reprisals or victimisation or disciplinary action, regardless of whether these are subsequently proven;
  - set out how the Council will respond to allegations made and enable them to get feedback on any action taken; and

- ensure that employees and workers know what to do if they are not satisfied with actions taken.
- 1.9 The whistleblowing policy is not to be used where other more appropriate internal reporting procedures are available. There are existing Council procedures which enable employees to lodge a grievance relating to their conditions of employment, raise matters of harassment or to make a general complaint, which by contrast, generally have no additional public interest dimension.
- 1.10 This whistleblowing policy covers concerns that fall outside the scope of those existing internal procedures. Equally, the Council will investigate any allegations made through the above procedures, which raise serious concerns over wrongdoing, under the whistleblowing process.
- 1.11 Any individuals who are raising concerns relating to money laundering offences or Proceeds of Crime Act 2002 are required to report these concerns directly to the Money Laundering Reporting Officer (MLRO) in line with the Anti Money Laundering Policy.

## 2. What is Whistleblowing?

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- 2.1 Whistleblowing is the confidential disclosure by an employee or worker of any concerns relating to a perceived wrongdoing involving any aspect of the Council's work or those who work for the Council (Appendix A). The whistleblowing process assists individuals, who believe they have discovered malpractice, impropriety or wrongdoing, to raise a concern, in order that this can be addressed.
- 2.2 The **Public Interest Disclosure Act 1998 (PIDA)** is known as the whistleblowing law and is designed to encourage and enable employees and workers to "speak out" and to report suspected wrongdoing at work. This is commonly known as "blowing the whistle".
- 2.3 PIDA legislation legally protects employees and workers from any detriment from their employer or colleagues that arises as a result of making a "protected disclosure" (a qualifying disclosure) in the public interest. This includes protection from harassment, victimisation or dismissal by their employer.
- 2.4 A qualifying disclosure means any disclosure of information made to the Council or other prescribed person, which in the reasonable belief of the individual making the disclosure, is made in the public interest and tends to show one or more of the following:
- (a) that a criminal offence has been committed, is being committed or is likely to be committed;
  - (b) that a person has failed, is failing or is likely to fail to comply with any legal obligation to which he is subject;
  - (c) that a miscarriage of justice has occurred, is occurring or is likely to occur;
  - (d) that the health or safety of any individual has been, is being or is likely to be endangered;
  - (e) that the environment has been, is being or is likely to be damaged; or

- (f) that information tending to show any matter falling within any one of the preceding paragraphs has been, is being or is likely to be deliberately concealed.
- 2.5 A disclosure of information is not a qualifying disclosure if the person making the disclosure commits an offence by making it.
- 2.6 A prescribed person is someone identified in regulations who is independent of the employee's organisation, but usually has an authoritative relationship with the organisation, such as a regulatory or legislative body (see paragraph 3.8).
- 2.7 Whilst protection under the PIDA covers employees and most workers it is not extended to partners, non-executive directors, volunteers or the self-employed. However, the principles outlined in this policy, as far as they can be, will be applied to whistleblowing allegations received from sources other than employees and workers of the Council. As with internally reported cases, particular consideration needs to be given to matters of confidentiality.

### 3. Making a Disclosure or Raising a Concern

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#### Making an Internal Disclosure

- 3.1 Where possible employees or workers should raise concerns in writing, however raising a concern verbally also counts as whistleblowing. Wherever possible, the information provided should include the background and history of the concern, provide names, dates and places where possible, and the reason why the individual is particularly concerned about the situation.
- 3.2 The earlier an employee or worker expresses a concern, the easier it will be to take action. Individuals should raise a concern as soon as there is a reasonable suspicion; they are not expected to investigate the concern themselves to prove the suspicions are well-founded. Providing genuine concerns are being raised it does not matter if the employee or worker is mistaken.
- 3.3 It is the hope and intention of the Council that any employee or worker with a concern about any aspect of the Council's operations or its conduct, feels able to first raise those concerns internally with line management or with one or more of the officers listed below. This includes where an employee wants to make a protected disclosure about their manager.
- Head of Internal Audit & Risk Management
  - The Chief Officer of the Directorate
  - The City Treasurer (Section 151 Officer)
  - The City Solicitor (Monitoring Officer)
  - The Chief Executive

- 3.4 Details of all concerns received by Managers should be reported to the Internal Audit Section to be logged; allowing a central record of whistleblowing cases to be maintained. This includes concerns received in relation to Foundation and Voluntary Aided Schools, Academy Schools, Sixth Form Colleges and Free Schools.
- 3.5 Where allegations are made against Internal Audit, in order to ensure impartiality and integrity of the investigation, these allegations will be immediately referred to the City Solicitor who will make appropriate arrangements for an independent investigation to take place. Where allegations are made which may relate to both Internal Audit and City Solicitors, those allegations will immediately be referred to the Chief Executive, who will make arrangements for an independent investigation to take place.
- 3.6 To ensure transparency where any allegations are made in respect of Internal Audit, it may be appropriate that the Chair of Audit Committee and External Audit are made aware, on a confidential basis, that such allegations have been made and the arrangements that have been put in place to investigate them.

### **Making an External Disclosure to the Regulator**

- 3.7 Under whistleblowing law, if an employee or worker does not feel comfortable making a disclosure internally within the Council, or if they are not satisfied with the response they have received, they have the right to take their concerns outside the Council to certain 'prescribed regulators' for example the Care Quality Commission, Ofsted etc.
- 3.8 Below is a list of other 'prescribed regulators' to whom an employee or worker may make a protected disclosure:  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/183340/11-641-blowing-the-whistle-to-a-prescribed-person.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/183340/11-641-blowing-the-whistle-to-a-prescribed-person.pdf)
- 3.9 Before making a disclosure, an employee or worker may first wish to discuss the concern on a confidential basis with a manager, trade union representative, solicitor or professional body and seek advice on how to proceed. These discussions may help assess how justified the concern is, and if they then wish to proceed, the most appropriate and effective way to report it. This is important because the report should be made so as to allow the most effective investigation, whilst affording the whistleblower protection under the PIDA.
- 3.10 Additional information about the PIDA can be obtained from the whistleblowing charity Protect (formally Public Concern at Work (PCaW)). For information visit [www.protect-advice.org.uk](http://www.protect-advice.org.uk) or telephone the independent and confidential advice line 0800 1124408.
- 3.11 Employees and workers are protected when they make a disclosure. In making a protected disclosure to a regulator the employee or worker must:
  - reasonably believe that the disclosure they are making is in the public interest;
  - reasonably believe that the information detailed and any allegations in it are substantially true; and
  - the matter disclosed must fall within the matters prescribed for that regulator.

## Whistleblowing by Individuals Employed in Schools

- 3.12 The Council is the legal employer of individuals who are employed in schools maintained by the Council such as **community schools, community special schools, voluntary controlled or maintained nursery schools and pupil referral units**.
- 3.13 Each such school should have their own whistleblowing policy and reporting arrangements which reflect the principles and requirements set out in this policy. In most cases employees and workers are encouraged to raise their concerns in accordance with the school's own reporting procedures, rather than directly to the Council.
- 3.14 However, if the employee or worker has a concern which they feel they cannot discuss with the management of the school or have good reason to believe that their complaint or disclosure will not be properly handled, then they may report their concerns directly to the Council or to a prescribed regulator using the Council's whistleblowing reporting procedures (see section 4).
- 3.15 **Safeguarding concerns** - if the concern raised relates to a child protection issue, these should be reported to the Local Authority Designated Officer (LADO) and in line with specific guidelines outlined in the school's safeguarding policy.
- 3.16 The whistleblowing policy is not to be used where other more appropriate reporting procedures are available within school, for example, in relation to any grievance relating to employment matters or to make a general complaint in relation to the school.
- 3.17 The Council expects schools (as identified in paragraph 3.13) to respond to a disclosure or allegation in the same way the Council would respond. The Headteacher or Chair of Governors would be expected to seek advice as necessary from the Council.
- 3.18 The Council's Internal Audit Section can offer advice and support to schools on the approach to be taken to investigate whistleblowing allegations to ensure concerns are properly addressed.
- 3.19 The action taken by schools in response to allegations made will depend on the nature and seriousness of the concern. Where appropriate, the matters raised may be:
- investigated by school management, or the Council's Internal Audit Service;
  - referred to the Police;
  - referred to the External Auditor; or be
  - subject of an independent enquiry.
- 3.20 For monitoring purposes the Headteacher or Chair of Governors must report (at the earliest opportunity) details of all whistleblowing allegations or suspicions of fraud, theft or corruption made within the school to the Council's Head of Internal Audit and Risk Management. Internal Audit will monitor the outcome of all cases, including action taken to reduce the risk of reoccurrence.
- 3.21 Employees or workers who wish to raise concerns over practices in schools outside of their place of employment should report these directly to the Council.
- 3.22 This policy does not extend to **Foundation and Voluntary Aided Schools** as the respective governing body is the employer, not the Council. Each such school should have their own whistleblowing policy and arrangements for reporting, logging and investigating concerns. The governing body must decide how employees and workers may make a qualifying disclosure under PIDA or raise an allegation of wrongdoing.



- 3.23 The Council's ability to legally investigate disclosures of serious wrongdoing in foundation and voluntary aided schools is reduced unless the allegations relate to safeguarding matters, Special Educational Needs and/or financial mismanagement. The Council should be notified of all concerns reported in relation to these matters.
- 3.24 **Academy Schools, Sixth Form Colleges and Free Schools** should adopt their own whistleblowing policy and procedures as the Council has no legal power to investigate; except for those concerns relating to safeguarding issues and Special Educational Needs.
- 3.25 The Council will acknowledge receipt of any disclosures received relating to these institutions and advise whistleblowers accordingly on an appropriate course of action regarding the concerns raised. If the disclosure relates to serious wrongdoing in respect of safeguarding issues involving children or vulnerable adults the Council has a legal obligation to investigate and will do so irrespective of the status of the school
- 3.26 The Council will log all concerns of wrongdoing received in relation to schools. Whilst the Council may not investigate every concern raised (as this may be undertaken by the individual school concerned), logging the issues enables the Council to monitor progress and where possible deal with the concerns having regard to any legal obligations or duty of care in relation to the school.
- 3.27 The Council will work with the Regional School Commissioner and Department for Education to review any matter referred to them in relation to Schools in Manchester.
- 3.28 Employees or workers who have major concerns about other schools or about other Council services can report these matters to Manchester City Council as a member of the public. These reports would not be covered by the protection of whistleblowing law.

### **Concerns Raised by Members of the Public**

- 3.29 If you are not a Council employee or worker you can still contact the Council to report any concerns or disclosures over wrongdoing (see section 4) and these will be treated in the same way. Unlike disclosures made by employees, protection under PIDA law does not extend to disclosures made by members of the public.

## **4. How to Report a Whistleblowing Concern**

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- 4.1 Whistleblowing concerns can be reported to Internal Audit as follows:
- E-mail at: [Whistleblowing@manchester.gov.uk](mailto:Whistleblowing@manchester.gov.uk)
  - Whistleblowing hotline (managed by Internal Audit): **0161 234 5280**
  - Use the Council's secure online Whistleblowing reporting form.  
<https://secure.manchester.gov.uk/forms/form/606/en/whistleblowing>
  - Concerns can also be reported in writing to:  
Head of Internal Audit and Risk Management,

**Confidential**

Manchester City Council,  
 Floor 6, Town Hall Extension, Mount Street Elevation  
 Manchester, M60 2LA

- 4.2 Employees and workers can raise concerns through their manager if they feel confident to do so. The manager must then follow the obligation of confidentiality and reporting procedures in accordance with Section 5.
- 4.3 For monitoring purposes, all whistleblowing cases referred to managers must be reported upon receipt to Internal Audit. This may be done by the whistleblower, receiving manager or the senior manager investigating the allegations. Internal Audit will also offer advice and support to the appointed investigating officer.
- 4.4 Any person reporting a concern should provide as much information as possible, including:
- who the allegations are against;
  - full details on the nature of the alleged wrongdoing;
  - provide any evidence they have in support of the allegation;
  - whether the person making the disclosure is a Council (or school) employee or worker;
  - name and contact details, unless the individual wishes to remain anonymous (if contact details are provided the investigating officer may get in touch to seek further information).
- 4.5 In the event that an employee or worker does not feel comfortable making a disclosure to the Council then a protected disclosure may be made to the appropriate prescribed organisation from those listed below:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/183340/11-641-blowing-the-whistle-to-a-prescribed-person.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/183340/11-641-blowing-the-whistle-to-a-prescribed-person.pdf)

## 5. How the Council will Respond

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- 5.1 The Council will formally respond to acknowledge receipt of a disclosure within 5 working days of the concerns being received.
- 5.2 A further acknowledgement will be sent within a further 10 working days to indicate:
- how the Council proposes to deal with the matter; and the policy under which it will be investigated;
  - whether the Council considers it to be a protected disclosure;
  - contact details for the officer handling the investigation;
  - arrangements for confidentiality;

- an estimate of how long it will take to provide a response on the outcome;
- any initial enquiries which may have been made;
- if no action is planned, why not.

- 5.3 All proposed action should be notified and agreed with Internal Audit on behalf of the City Treasurer and in consultation with the relevant Chief Officer.
- 5.4 All allegations will be handled confidentially and discreetly by those managers who are directly involved in the investigation process. The ongoing point of contact for the whistleblower will be given in the acknowledgement letter.
- 5.5 If necessary, further information will be sought from the whistleblower. This will depend on the nature of the matters raised, the potential difficulties involved in conducting an investigation and the clarity of the information provided.
- 5.6 At any meeting arranged to discuss an employee or worker's concerns the individual has the right, if they so wish, to be accompanied by their Trade Union representative or a friend who is not involved in the area to which the concern relates.
- 5.7 The Council will do what it lawfully can to minimise any difficulties that an employee or worker may experience as a result of raising a concern. For example, if an employee is required to give evidence in criminal or disciplinary proceedings, the Council will advise the employee about the procedures in terms of what will happen and what will be expected of them.

### **Anonymous Allegations**

- 5.8 The Council recognise that there may be circumstances where employees and workers are worried about being identified when reporting concerns about their employer. Concerns expressed anonymously are more difficult to investigate, and harder to substantiate, and further liaison with the whistleblower is not possible. It is also difficult for an anonymous whistleblower to be protected by the law if they subsequently suffer detrimental treatment.
- 5.9 Both anonymous allegations and named referrals which include contact details are treated seriously and are considered on the basis of individual merits. Factors that will be taken into consideration when assessing the allegation will include:
- the seriousness of the issues raised;
  - the credibility of the concern; and
  - the likelihood of confirming the allegations from attributable sources.

## **6. Outcomes**

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- 6.1 The Council will, subject to legal constraints, seek to advise the whistleblower on the outcomes of the investigation in order to assure them the matter has been properly addressed. The Council will not usually provide the whistleblower with all the details of

investigation outcomes as this could breach others' rights to confidentiality e.g if disciplinary action has been taken against an individual. Some concerns raised may be resolved by agreed action, once the whistleblowers concerns have been explained, without the need for investigation.

- 6.2 Investigation reports will be required for all cases. These will usually be issued by the Investigating Officer in confidence under restricted circulation including the Chief Officer of the department involved and the Chief Executive, City Solicitor, City Treasurer, Director of Human Resources and External Auditor.
- 6.3 Reporting is restricted as the content of investigation reports could include personal information of others, commercially sensitive information or details of investigation processes and practices the publication of which could prejudice the effective conduct of future investigations.
- 6.4 Where investigations are completed by managers within the department, Internal Audit will require confirmation of the outcome from the work undertaken, details of any system risk issues and actions to be taken to mitigate future reoccurrences (see Appendix B). Internal Audit may carry out follow up work as a result of any identified areas of risk.

## 7. Safeguards

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- 7.1 In order to ensure that allegations are investigated in the right spirit with the right outcome, the following safeguards or principles should be applied in all cases.

### **Confidentiality and Anonymity**

- 7.2 The Council's Whistleblowing Policy seeks to protect the identity of the employee or worker making a disclosure wherever possible.
- 7.3 Records of employee or worker's disclosures held by Internal Audit are stored securely; access to whistleblowing and related investigation records is restricted to specific officers assigned to examine the concerns being raised. Wherever possible the identity of an employee or worker raising a concern will not be revealed as part of an investigation. Should this not be possible the employee or worker will be notified and consent will be sought beforehand.
- 7.4 Circumstances which may require the disclosure of an employee or workers identity, and override their request for confidentiality, include disclosures relating to any child at risk or abuse of a vulnerable adult. The Council is required to investigate these matters under separate procedures which take priority over any request for confidentiality.
- 7.5 The Council cannot guarantee to protect the identity of an employee or worker raising allegations of serious wrongdoing where a criminal offence has been committed, and legal/prosecution action results from the disclosure. In some cases an employee may have to act as a witness and/or provide evidence in relation to offences which are referred to the Police.

- 7.6 Progress reports are submitted periodically to the Statutory Officers and Audit Committee which may include details of investigations. In such circumstances these are anonymised.

## **Harassment and Victimisation**

- 7.7 The Council acknowledges that the decision to report a concern can be a difficult one for an employee or worker to make, not least because of the fear of reprisal from those responsible for the malpractice. It is unlawful for an employee or worker to suffer victimisation or harassment for whistleblowing.
- 7.8 The Council will not tolerate harassment or victimisation against an employee who has raised a genuine concern under the whistleblowing policy. Victimisation may include an attempt to identify the person raising the concern. Any employee who victimises a whistleblower will be subject to disciplinary action which may lead to dismissal. An individual may also be personally liable for treating a colleague detrimentally on the grounds that they have raised public interest concerns.
- 7.9 Chief Officers and Heads of Service should monitor how whistleblowers are subsequently treated after raising a matter of concern. They should ensure that any harassment or victimisation is dealt with under disciplinary arrangements.
- 7.10 Any employee who believes they have been victimised as a result of making a disclosure or blowing the whistle should report their concerns to the City Solicitor.

## **Malicious Allegations**

- 7.11 While encouraging employees and workers to bring forward matters of concern, the Council must guard against claims which are malicious. This is because of the risk of claims made to deliberately damage the reputation of other employees, workers or the Council as a whole and not least because the cost of investigation is high.
- 7.12 If an employee makes an allegation which they reasonably believe is a whistleblowing concern, but it is not confirmed by the investigation, no action will be considered or taken against them. However, if an employee makes false, malicious or vexatious allegations this will be treated as a serious disciplinary offence and disciplinary action will be taken. The PIDA only offers protection from dismissal or detriment if the employee or worker reasonably believes their disclosure was made in the public interest.

## **Misuse of the Policy**

- 7.13 The policy is not designed to allow:
- individuals who have acted inappropriately to escape punishment by highlighting any malpractices they were involved in;
  - employment protection in relation to a redundancy situation or pre-existing disciplinary issues as a result of reporting a wrongdoing;
  - an individual to raise a concern for some private or purely personal motive.

## 8. Data Protection and FOI

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- 8.1 The Freedom of Information Act 2000 gives a general right of access to all types of recorded information held by public authorities. As such the Council often receives requests for information under the Freedom of Information Act.
- 8.2 The Council has a legal obligation to provide the information unless it falls under one of the exemptions of the Act.
- 8.3 The Freedom of Information Act contains exemptions which may be applicable to permit the withholding of information identifying the whistleblower, including:
  - Section 40 Personal Data.
  - Section 41 Information which, if disclosed, would give rise to an actionable breach of confidence.
- 8.4 Many people making a disclosure to the Council will wish to protect their identity and the Council will always seek to protect the identity of individuals during the course of progressing an investigation. If the Council receives a request for information identifying a whistleblower, the Council will contact the whistleblower to seek their views beforehand and will, wherever possible, seek to comply with those views.
- 8.5 The principle of maintaining confidentiality should also be applied to the identity of any individual who may be the subject of a disclosure.
- 8.6 When processing personal data as part of a whistleblowing investigation, the Council will take all necessary precautions to protect such data and not to share it more widely than is necessary as part of the investigation. The Council will apply the General Data Protection Regulations and the Data Protection Act 2018 in all aspects of any whistleblowing investigation.

## 9. Monitoring of Whistleblowing Complaints

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- 9.1 Internal Audit will maintain a central record of all whistleblowing referrals made under this policy and monitor the outcome of these cases. The collection, monitoring, review and storage of these records will at all times be carried out within the safeguarding principles set out at part 7 of this policy.
- 9.2 As such, details of any allegation should be reported to Internal Audit by the receiving manager on receipt. Internal Audit will log and allocate each case a reference number whether or not Internal Audit are involved in the investigation work. The outcome of the investigation should be notified to Internal Audit by the Investigating Officer.
- 9.3 The records held by Internal Audit will be used to analyse the impact and effectiveness of the arrangements in place in statistical terms and records held in HR sections may be subject to review. The detailed case records form part of the process of reporting back to Members on the effectiveness and outcomes of the Policy and form the record of

actions taken in the case of any matters raised under the Public Interest Disclosure Act. This information will be referred to for monitoring purposes and periodic assurance reports provided to the Audit Committee by the Head of Internal Audit and Risk Management as part of this process.

- 9.4 The City Treasurer and the Chief Executive retain responsibility for monitoring the effectiveness of the Council's Whistleblowing Policy and process. The Standards Committee has an overview of the Whistleblowing Policy.
- 9.5 A Whistleblowing Case Record sheet (Appendix B) should be used by the Investigating Officer to record a summary for each case. A copy should be sent to Internal Audit and one retained with the investigation paperwork on completion.

## 10. Training and Awareness

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- 10.1 Chief Officers and Heads of Service are responsible for ensuring that their employees are aware of the whistleblowing policy and process and that any training needs are addressed which may arise from the application of the policy. Raising awareness of the Council's Whistleblowing Policy should form part of the induction training for all employees and should be addressed as refresher training for all employees.
- 10.2 Employees and workers have a responsibility to ensure that they are aware of and understand the Council's policy in relation to whistleblowing.

## 11. Frequently Asked Questions

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### **What is the difference between whistleblowing and making a complaint or a grievance?**

In general terms, whistleblowing occurs when an employee raises a concern about danger or illegality that affects others and which has a public interest dimension to it. The person blowing the whistle is usually not directly, personally affected by the danger or illegality. Consequently, the whistleblower rarely has a personal interest in the outcome of any investigation into their concerns. As a result, the whistleblower should not be expected to prove their case; rather he or she raises the concern so others can address it.

A grievance or private complaint is, by contrast, a dispute about the employee's own employment position and has no additional public interest dimension. When someone complains, they are saying that they have personally been poorly treated. This poor treatment could involve a breach of their individual employment rights or bullying and the complainant is seeking redress or justice for themselves. The person making the complaint therefore has a vested interest in the outcome of the complaint, and, for this reason, is expected to be able to prove their case.

For example, bullying and discrimination issues should be dealt with under the Council's Employee Dispute and Resolution Policy maintained by Human Resources.

### **Can concerns be raised confidentially or anonymously?**

The Council encourages whistleblowers to identify themselves and raise concerns openly. Openness makes it easier for the Council to assess the issue, work out how to investigate the matter and get more information. The effectiveness of any whistleblowing investigation may be limited where an individual chooses not to be identified.

An individual raises a concern confidentially if he or she gives his or her name on the condition that it is not revealed without their consent. An individual raises a concern anonymously if he or she does not give his or her name at all. Clearly, if the Council does not know who provided the information, it is not possible to reassure or protect them.

### **Does the Public Interest Disclosure Act (PIDA) require an employer to keep a whistleblower's identity secret?**

The simple answer is no. PIDA contains no specific provision on confidentiality. The protections within the Act can be deemed to encourage employees and workers to raise issues openly. The Council recognises the need for a confidential port of call for any worried employee or worker and will respect a request for confidentiality; however in some cases it may not be possible. For example if the matter was about safeguarding or related to a criminal offence and had to be referred to the police. If this is the case the Investigating Officer would confirm this before a name is disclosed.

### **Am I protected from dismissal if I blow the whistle?**

It is unlawful to dismiss an employee for the reason that they have blown the whistle: this would be an unfair dismissal and applies from day one of employment. As long as disclosures meet the legal tests, an employee should not be dismissed for raising concerns.

Workers who are not employees cannot claim unfair dismissal because of whistleblowing, but they are protected and can claim detrimental treatment.

The types of whistleblowing eligible for protection as qualifying disclosures are provided at Appendix A.

### **Who is protected?**

The Public Interest Disclosure Act (PIDA) only protects employees and workers who raise concerns. Those who are genuinely self-employed workers, volunteers or public appointees cannot bring claims in Employment Tribunals if they are treated badly or dismissed because they have raised whistleblowing concerns. As such, School Governors and Councillors are not currently covered by PIDA.



However, the Council wants to hear from any worker if they have a concern about wrongdoing at work. As far as possible the individual will be treated in a similar way to a whistleblower even if they do not fall within the legal definition.

A worker will be eligible for protection if:

- they reasonably believe that there is wrongdoing that falls within one of the categories of concern they are telling the right person
- they believe that their disclosure is in the public interest.

### **Who is not protected?**

An employee or worker will not be afforded protection if:

- they break the law when they report something, for example because they signed the Official Secrets Act.
- they were part of the wrongdoing.
- they found out about the wrongdoing when someone wanted legal advice ('legal professional privilege'), for example if they are a solicitor.
- It is not in the public interest.

### **What information should a whistleblower provide?**

Supporting evidence for the allegations, if available, is clearly helpful. However, the law does not require individuals to have evidence before reporting the matter, but it does say that the individual must reasonably believe the information is substantially true. Individuals should report concerns to line management or other at the earliest opportunity rather than wait to collate any evidence.

Whistleblowers are encouraged to provide their contact details to allow the Council to seek further information, where necessary and advise on outcomes.

### **Where can I get independent advice?**

Before making a disclosure, an employee or worker may first wish to discuss the concern on a confidential basis with a manager, trade union representative, solicitor or professional body and seek advice on how to proceed. These discussions may help assess how justified the concern is, and if they then wish to proceed, the most appropriate and effective way to report it.

Individuals can contact the independent charity Protect (formally Public Concern at Work) for free, independent and confidential advice, for example to find out which concerns are legally protected and how best to raise concerns. The charity has provided a specific confidential advice line for Manchester staff, telephone number: 0800 1124408 or visit their website [www.protect-advice.org.uk](http://www.protect-advice.org.uk)



## Appendix A

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### EXAMPLES OF WHISTLEBLOWING

Concerns around suspected wrongdoing, malpractice, illegality or risk in the workplace may include:

- criminal offences;
- failure to comply with a legal duty;
- miscarriages of justice;
- fraud or corruption;
- abuse of authority;
- serious breaches of Council policy or procedure;
- unethical conduct and actions deemed unprofessional or inappropriate; this could include breaches of regulations requiring school governors to 'act with integrity, objectivity and honesty and in the best interests of the school' and breaches of the 'Nolan Principles' which are the basis of ethical standards expected of public office holders (Appendix C);
- the health and safety of any individual has been, or is likely to be, endangered;
- the environment has been, is being or is likely to be, damaged (as a result of the City Council's actions or inactions); and
- information about any of the above has been, is being, or is likely to be, deliberately concealed.

## Appendix B

**CONFIDENTIAL**  
MANCHESTER CITY COUNCIL  
WHISTLEBLOWING CASE RECORD

Date concerns/allegations received.	
Details of individual receiving the concern/allegation (i.e. name, job title, contact details)	
Directorate Involved	
How were the concerns/allegations reported – in writing /verbally	
Does the individual wish to remain anonymous?	
If not, details of officer raising concern, /allegations (i.e. name, job title, contact details)	
Was confidentiality requested and/or explained?	
A summary of the concern / allegation raised:	

<p>Has formal acknowledgement been provided in-line with the Whistleblowing Policy?</p> <p>(acknowledgement 5 working days and update within 10 further days)</p>	
Date reported to Internal Audit	
Details of Investigating Officer (i.e. name, job title, contact details)	
<p>Summary outcome of investigation:</p> <p>(Proved/unproven, details of any action plans and recommendations)</p>	
Date notification of outcome provided to individual raising the concern/allegation	
Papers retained (location), responsible officer and review date:	

## Appendix C

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### SEVEN NOLAN PRINCIPLES

The following are the Seven Nolan Principles underpinning standards for Public Life:

The principles of public life apply to anyone who works as a public office-holder. This includes all those who are elected or appointed to public office, nationally and locally, and all people appointed to work in the civil service, local government, the police, courts and probation services and in the health, education, social and care services. All public office-holders are both servants of the public and stewards of public services. The principles also have application to all those in other sectors delivering public services.

1. Selflessness: Holders of public office should act solely in terms of the public interest.
2. Integrity: Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
3. Objectivity: Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
4. Accountability: Holders of public office are accountable to the public for their decisions and actions and must admit themselves to the scrutiny necessary to ensure this.
5. Openness: Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
6. Honesty: Holders of public office should be truthful.
7. Leadership: Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

**Source:** The Committees website is at <http://www.public-standards.gov.uk/>



# Draft Anti-Money Laundering Policy

Policy and Guidance Document

**Audit and Risk Management**  
**March 2019**

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# Anti-Money Laundering Policy

## 1. Introduction

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- 1.1 Money Laundering is the process by which criminally obtained money or other criminal property is exchanged for “clean” money or other assets with no obvious link to their criminal origins. The term is used for a number of offences involving the integration of “dirty money” (i.e. the proceeds of crime) into the mainstream economy. The aim is to legitimise the possession of such monies through circulation and this effectively leads to “clean” funds being received in exchange.
- 1.2 Although local authorities are not directly covered by the requirements of The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, guidance from the Chartered Institute of Public Finance and Accountancy (“CIPFA”) indicates that they should comply with the underlying spirit of the legislation and regulations.
- 1.3 Manchester City Council is committed to establishing and maintaining effective arrangements to prevent and detect attempts to launder money using Council services. The Council requires all Members and employees to demonstrate the highest standards of honesty and integrity and this includes compliance with appropriate legislation. The Council is committed to working constructively with the Police and other relevant agencies in relation to combating money laundering and ensuring compliance with the legislation.
- 1.4 This policy should be read in conjunction with the Council’s Anti-Fraud and Corruption Policy. The Council will seek to ensure the corporate stance on money laundering is widely publicised and that employees and Members have access to the appropriate guidance. Failure to comply with the procedures set out in this document may constitute a disciplinary and/or criminal offence.

### Scope

- 1.5 This policy applies to Manchester City Council, and as a consequence it applies to Members and all employees of the Council, including temporary and agency staff as well as those employed in community schools, community special schools, voluntary controlled schools and maintained nursery schools. It contains specific sections to advise employees and Members of the process to be followed to enable the Council to comply with its legal obligations.
- 1.6 Our policy is to ensure all appropriate action is taken to prevent, wherever possible, the Council and its Members and employees from being exposed to money laundering and to comply with all legal and regulatory obligations, including the reporting of suspected or actual cases in line with disclosure requirements.

## 2. What is Money Laundering?

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- 2.1 The Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013, Serious Crime Act 2015 and the Criminal Finances Act 2017), Terrorism Act 2000 (as amended by the Criminal Finances Act 2017) and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 cover a range of activities and offences in relation to money laundering. The primary ones are listed below; further details are provided in **Appendix A: Offences Table**:
- Concealing, disguising, converting or transferring criminal property or removing it from the UK;
  - Entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
  - Acquiring, using or possessing criminal property;
  - Failure to disclose knowledge or suspicion of another person(s) involvement in money laundering; and
  - Tipping off or making a disclosure which is likely to prejudice an investigation being carried out by a law enforcing authority, knowing that such an investigation is in motion.
- 2.2 These offences cover a range of activities, which do not necessarily need to involve money or laundering, regarding the proceeds of crime. This means that potentially any employee or Member, irrespective of what sort of Council business they are undertaking, could commit an offence if they become aware of, or suspect the existence of criminal property, irrespective of the size of the benefit gained, and/or fail to report their concerns.
- 2.3 Where an employee/Member suspects money laundering and reports, or are aware that someone else has, they must exercise caution in what is discussed with others as a further offence of “tipping off” may be committed if, knowing or suspecting a disclosure has been made, the employee/Member take any action which is likely to prejudice any investigation that may be conducted.
- 2.4 It is impossible to give a definitive list of ways in which to spot money laundering or how to decide whether to make a report. Facts which tend to suggest that something ‘odd’ is happening may be sufficient for a reasonable suspicion of money laundering to arise. Risk factors which may, either alone or cumulatively with other factors, suggest the possibility of money laundering activity are provided at **Appendix B: Possible Signs of Money Laundering**.
- 2.5 Potentially any employee or Member could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it, then they may be liable to prosecution. Heavy penalties, including unlimited fines and up to 14 years imprisonment, can be handed down to those who are convicted of one of the offences listed above.

### 3. Requirements of the Money Laundering Legislation

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- 3.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 impose specific obligations on “relevant persons”.
- 3.2 The term relevant person relates to the following activities carried out in the course of business; tax advice; accounting services; treasury management; investment or other financial services; credit institutions; audit services; legal services; estate agents; services involving the formation, operation or arrangement of a company or trust; dealing in goods wherever a transaction involves a cash payment equivalent to €15,000 (£12,000) or more.
- 3.3 Some activities undertaken by local authorities could be included within the scope of the money laundering regulations. Therefore to ensure compliance with the regulations and legislation and for the purposes of this Policy and Guidance, the Council are considered a relevant person when acting in the course of business and activities carried on by them.
- 3.4 The obligations include the following requirements:
- Appoint a Money Laundering Reporting Officer (MLRO).
  - Obtain sufficient knowledge to ascertain the true identity of customers in certain circumstances, by applying customer due diligence measures.
  - Know the intended nature of business relationships and undertake ongoing monitoring of them (to identify unusual transactions).
  - Implement a procedure for assessing and controlling risk and reporting suspicions of money laundering.
  - Maintain record keeping procedures (e.g. for evidence of identity obtained, details of transactions undertaken, for at least 5 years).
- 3.5 The European Union 4<sup>th</sup> Money Laundering Directive requires a focus on risk assessments in relation to anti-money laundering; in particular the need to evidence that an organisation’s exposure to risk is considered as part of ongoing business. As such Heads of Service should maintain engagement with Internal Audit as business operations change with regard to undertaking appropriate and proportionate assessments.

### 4. The Money Laundering Reporting Officer (MLRO)

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- 4.1 If an individual becomes aware that their involvement in a matter may amount to money laundering then they must report it to the Money Laundering Reporting Officer (MLRO) and not take any further action until they have received consent from the MLRO, who may have to be granted such consent by the National Crime Agency.
- 4.2 The Council has designated the City Treasurer as the Money Laundering Reporting Officer (MLRO):

**Address:** City Treasurer, Manchester City Council, Town Hall Extension, Level 3, Albert Square, Manchester, M60 2LA

**Telephone Number:** 0161 234 3406

**Email:** [carol.culley@manchester.gov.uk](mailto:carol.culley@manchester.gov.uk)

- 4.3 In the absence of the MLRO or in instances where it is suspected that the MLRO is involved in suspicious transactions, concerns should be raised with the Head of Internal Audit and Risk Management.

**Address:** Head of Internal Audit and Risk Management, Manchester City Council, Town Hall Extension, Level 6, Albert Square, Manchester, M60 2LA

**Telephone Number:** 0161 234 5273

**Email:** [t.powell@manchester.gov.uk](mailto:t.powell@manchester.gov.uk)

## 5. Due-Diligence Procedure

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- 5.1 Where the Council is carrying out activities in the course of business (paragraph 3.2), extra care needs to be taken to check the identity of the customer – this is known as carrying out customer due diligence. This is covered in Regulations 27-38 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017. Details of the process to be undertaken is provided in **Appendix C: Customer Due Diligence Procedure Flowchart.**

### When is it done?

- 5.2 The requirement for customer due diligence applies immediately for new customers and should be applied on a risk basis for existing customers. Ongoing customer due diligence must also be carried out during the life of a business relationship but should be proportionate to the risk of money laundering and terrorist funding, based on the officers' knowledge of the customer and a regular scrutiny of the transactions involved.
- 5.3 Where there is a need to not interrupt the normal conduct of business and there is little risk of money laundering and terrorist funding occurring, verification may be carried out during the establishment of the business relationship provided that the verification is completed as soon as practicable after the contact is first established

### What does it involve?

- 5.4 Due diligence essentially means identifying the customer and verifying their identity on the basis of documents, data or information obtained from a reliable and independent source and depending upon the purpose and intended nature of the business relationship. Where you need to carry out customer due diligence then you must seek evidence of identity, see **Appendix D: Verification of Customer Identity.**
- 5.5 Where the customer is acting or appears to be acting for someone else, reasonable steps must also be taken to establish the identity of that other person.

- 5.6 Where there is a beneficial owner who is not the customer (i.e. an individual who holds more than 25% of the shares, voting rights or interest in a company, partnership or trust), adequate measures should be taken on a risk-sensitive basis to verify the beneficial owner's identity. In the case of a legal person, trust or similar legal arrangement, this should include measures to understand the ownership and control structure of the person, trust or arrangement.
- 5.7 The legislation allows organisations to vary customer due diligence and monitoring according to the risk of money laundering or terrorist financing which depends on the type of customer, business relationship, product or transaction. This recognises that not all customers present the same risk, for example there is no need to apply customer due diligence measures where the customer is a UK public authority.

### **What is 'Enhanced Customer Due Diligence'?**

- 5.8 Enhanced customer due diligence and enhanced ongoing monitoring must be carried out in any case identified in Regulation 33(1) of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 , for example:
- The customer has provided false or stolen identification documentation or information.
  - The customer has not been physically present for identification.
  - The customer is a politically exposed person (i.e. an individual who at any time in the preceding year has held a prominent public function inside or outside of the UK, and EU or international institution / body, their immediate family members or close associates).
  - There is a beneficial owner who is not the customer (i.e. an individual who: holds more than 25% of the shares, voting rights or interest in a company, partnership or trust).
  - The party involved is established in a high-risk third country.
- 5.9 Enhanced customer due diligence could include any additional documentation, data or information that will confirm the customer's identity and / or the source of the funds to be used in the business relationship / transaction. If enhanced customer due diligence is required then the MLRO must be consulted prior to it being carried out.

### **Cash Payment Procedure**

- 5.10 Where cash in excess of £1000 is received from customers, employees should ask for, and inspect, identification (**Appendix D: Verification of Customer Identity**). This will help to identify and report any suspicious transactions.
- 5.11 Electronic or cheque payments to the Council are easily traceable through the banking system. As traceability is key and an individual walking in to pay a debt with cash is not necessarily traceable, it is best practice to insist on payment by cheque or electronically from a UK Clearing Bank

### **Satisfactory Evidence of Identity**

- 5.12 The Council require only the most basic of identity checks (e.g. signed, written instructions on the organisation in question's headed paper at the outset of a particular

matter) documented on a Verification of Customer Identity Checklist. The following factors suggest these minimum level checks are appropriate for the Council:

- For internal customers, we all work for the same organisation and therefore have detailed awareness of individuals and their location through previous dealings.
- For external customers, the Council, as a matter of law, can only provide services to other local authorities and designated public bodies. These customers are heavily regulated and most are well known to us.

#### **Generally:**

- We know most of our customers and those through whom they are acting – there is no, or very little, doubt as to their identity;
- Any services that may be defined as regulated business activities are provided to customers who are UK local authority/public bodies; and
- We are subject to defined, robust public sector governance and financial management controls.

#### **Record Keeping Procedures**

- 5.13 Each area of the Council acting in the course of business carried on by them, see paragraph 3.2, must maintain records of every customer due diligence record, either hard copy or electronic, and details of all relevant transactions carried out for customers for a minimum of five years from the date of (as appropriate) the transaction / end of any client relationship. This is to meet the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (Regulation 40) and may be used as evidence in any subsequent investigation/inspection by the relevant supervising body.
- 5.14 Records must be capable of providing an audit trail during any investigation, for example distinguishing the customer and the relevant transaction and recording in what form any funds were received or paid. In practice, the business units of the Council will be routinely making records of work carried out for customers in the course of normal business and these should suffice in this regard.

## **6. Reporting Procedure for Suspicions of Money Laundering**

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- 6.1 Where an employee or Member suspects money laundering activity they must disclose this as soon as practicable to the MLRO. The disclosure should be within “hours” of the information coming to your attention, not weeks or months later.
- 6.2 Disclosures should be made to the MLRO in line with the procedure outlined at **Appendix E: Suspicious Transactions Reporting Procedure**. The standard pro-forma report attached at **Appendix F** should be used for this purpose. The report must include as much detail as possible, for example:
- Full details of the people involved (including employee or Member, if relevant);

- Full details of the nature of their involvement;
  - The types of money laundering activity involved (see **Appendix A, Offences Table**);
  - The dates of such activities, including whether the transactions have happened, are ongoing or are imminent;
  - Where they took place;
  - How they were undertaken;
  - The (likely) amount of money/assets involved;
  - Exactly why there are suspicions; the NCA will require full reasons;
  - Any other relevant available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable them to prepare their report to the NCA, where appropriate.
- 6.3 If an employee or Member becomes concerned that their own involvement in a transaction would amount to an offence under sections 327 – 329 of the Proceeds of Crime Act 2002 or Regulations 86 - 88 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (**see appendix A**), then the report must include all relevant details. Consent will be required from the NCA, via the MLRO, for the individual to take any further part in the transaction. This is the case even if the customer gives instructions for the matter to proceed before such consent is given. Employees and Members should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline.
- 6.4 Once the matter has been reported to the MLRO then any subsequent directions provided must be followed. Further enquiries into the matter should not be made by the employee or Member; any necessary investigation will be undertaken by the NCA.
- 6.5 Reference of any reports being made to the MLRO should not be recorded on client files – should the client exercise their right to see their records, then such a note/reference will tip them off to the report having been made and may render the employee or Member liable to prosecution. The MLRO must keep the appropriate records in a confidential manner.
- 6.6 Any information containing personal and/or sensitive data which is supplied or processed during the course of a money laundering investigation shall not be processed wider than is absolutely necessary for the purposes of determining whether a money laundering offence has been committed.

## 7. Consideration of Disclosure

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- 7.1 The MLRO must note on the face of the disclosure report the date it was received, acknowledge receipt of the document and advise the employee or Member submitting the report of the timescale for a response.



- 7.2 The MLRO will consider the report and any other relevant internal information available, for example:
- reviewing other transaction patterns and volumes;
  - the length of any business relationship involved;
  - the number of any one-off transactions and linked one-off transactions; and
  - any identification evidence held.
- 7.3 The MLRO will undertake other reasonable enquiries considered appropriate in order to ensure that all available information is taken into account in deciding whether a report to the NCA is required. The MLRO may also need to discuss the disclosure report with the employee or Member who submitted the report.
- 7.4 Once the MLRO has evaluated the disclosure report and any other relevant information, they must make a timely determination as to whether:
- there is actual or suspected money laundering taking place; or
  - there are reasonable grounds to know or suspect that is the case and;
  - whether they need to seek consent from the NCA for a particular transaction to proceed.
- 7.5 Where the MLRO does decide then they must disclose the matter as soon as practicable to the NCA on their standard report form and in the prescribed manner, unless they have a reasonable excuse for non-disclosure to the NCA (for example, you wish to claim legal professional privilege for not disclosing the information). Up to date forms can be downloaded from the NCA website at [www.nationalcrimeagency.gov.uk](http://www.nationalcrimeagency.gov.uk).
- 7.6 Where the MLRO considers no money laundering is taking place or suspects money laundering but has a reasonable excuse for non-disclosure, then they must note the report accordingly and can then immediately give their consent for any ongoing or imminent transactions to proceed. However, it's better to disclose than not.
- 7.7 In cases where legal professional privilege may apply, the MLRO must liaise with the City Solicitor to decide whether there is a reasonable excuse for not reporting the matter to the NCA.
- 7.8 Where consent is required from the NCA for a transaction(s) to proceed, then the transaction(s) in question must not be undertaken, completed or proceed until the NCA has specifically given consent, or there is deemed consent through the expiration of the relevant time limits without objection from the NCA.
- 7.9 Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then the MLRO shall mark the report accordingly and give consent for any ongoing or imminent transaction(s) to proceed.
- 7.10 All disclosure reports referred to the MLRO and reports made by them to the NCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.
- 7.11 The MLRO may commit a criminal offence under section 331 of the Proceeds of Crime Act 2002 if they know or suspect (or has reasonable grounds to do so) through a disclosure being made, that another person is engaged in money laundering and does not disclose this as soon as practicable to the NCA.



## 8. Training

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- 8.1 Employees considered likely to be exposed to suspicious situations, will be made aware of these by their senior officer and provided with appropriate training.
- 8.2 Additionally, relevant Members and employees will be made aware of the legal and regulatory requirements relating to money laundering and terrorist financing, and the requirements of data protection, which are relevant to the implementation of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and how they affect both the Council and themselves
- 8.3 Notwithstanding the paragraphs above, it is the duty of employees and Members to report all suspicious transactions to the MLRO (**see appendix F**).

## 9. Appendix A

### OFFENCES TABLE

Section Ref.	Type of Offence	Definition
<b>S327</b> <b>Proceeds of Crime Act 2002</b>	<b>Money Laundering Offence:</b> Concealing Criminal Property	A person commits an offence if they conceal, disguise, convert or transfer criminal property or if they remove criminal property from England, Wales, Scotland or Northern Ireland.  This is punishable by a maximum term of imprisonment of 14 years at the Crown Court and an unlimited fine.  At the Magistrates Court it is 6 months and £5,000 fine.
<b>S328</b> <b>Proceeds of Crime Act 2002</b>	<b>Money Laundering Offence:</b> Arrangements	This offence requires a person to become actively involved in some arrangement which helps someone else to get, keep, use or control the proceeds of a crime.  The punishment is as for S327.
<b>S329</b> <b>Proceeds of Crime Act 2002</b>	<b>Money Laundering Offence:</b> Acquisition, Use and Possession	This offence is committed by anyone that has criminal proceeds in their possession provided they know or suspect that it represents the proceeds of a crime unless they paid 'adequate consideration' for it.  Someone who pays less than the open market value is therefore guilty of the offence but someone who pays the full retail price, despite knowing or suspecting they are stolen goods is not guilty.  The punishment is as for S327.
<b>S330</b> <b>Proceeds of Crime Act 2002</b>	<b>Failure to Disclose Offence:</b> Regulated Sector	This offence is committed by an employee of a business in the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels. Negligence is not a defence as the employee will be tried upon what they should have known given their experience, knowledge and training.  This is punishable by a maximum term of imprisonment of 5 years and/or a fine.

<b>S331 Proceeds of Crime Act 2002</b>	<b>Failure to Disclose Offence:</b> Nominated Officers in the Regulated Sector	<p>This offence is committed by a nominated officer (MLRO) of a business in the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels without an acceptable excuse under the legislation. Negligence is not a defence as the nominated officer will be tried upon what they should have known given their experience, knowledge and training.</p> <p>This is punishable by a maximum term of imprisonment of 5 years and/or a fine.</p>
<b>S332 Proceeds of Crime Act 2002</b>	<b>Failure to Disclose Offence:</b> Other Nominated Officers	<p>This offence is committed by a nominated officer (MLRO) of a business outside of the regulated sector who has knowledge or suspicion of another person's involvement in money laundering and does not make a report through the appropriate channels without an acceptable excuse under the legislation. The officer will be tried on what they knew or suspected not on what they might have been expected to know or suspect.</p> <p>This is punishable by a maximum term of imprisonment of 5 years and/or a fine.</p>
<b>S333 Proceeds of Crime Act 2002</b>	<b>Tipping Off Offence</b>	<p>This offence is committed if an officer or Member makes a disclosure which is likely to prejudice an investigation being carried out by a law enforcing authority, knowing that such an investigation is in motion.</p> <p>This is punishable by a maximum term of imprisonment of 5 years and/or a fine.</p>
<b>Reg 86 Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017</b>	<b>Contravening a relevant requirement</b>	<p>A person commits an offence if they have not followed any relevant guidance issued by the European Supervisory Authorities, Financial Conduct Authority or any other relevant supervisory authority approved by the Treasury.</p> <p>This is punishable by a maximum term of imprisonment of 2 years at the Crown Court, a fine, or both. At the Magistrates Court a term of three months, a fine, or both.</p>

<b>Reg 87</b>  <b>Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017</b>	<u><b>Prejudicing an investigation</b></u>	<p>This offence is committed when a person who knows or suspects that an appropriate officer is acting (or proposing to act) in connection with an investigation into potential contravention of a relevant requirement which is being or is about to be conducted. The offence is committed if either they make a disclosure which is likely to prejudice the investigation or they falsely, conceal, destroy or otherwise dispose of, or cause to permit the falsification, concealment, destruction or disposal of, documents which are relevant to the investigation.</p> <p>The punishment is as for Reg. 86 above.</p>
<b>Reg 88</b>  <b>Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017</b>	<b>Providing false or misleading information</b>	<p>There are two separate offences under regulation 88. Under regulation 88(1) a person commits an offence if:</p> <ol style="list-style-type: none"> <li>1. In purported compliance with a requirement imposed on him by or under the MLR 2017, provides information which is false or misleading in a material particular and knows that the information is false or misleading; or</li> <li>2. Is reckless as to whether the information is false or misleading.</li> </ol> <p>In respect of both offences, the punishment is the same as Regs 86 and 87 above.</p>

## 10. Appendix B

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### POSSIBLE SIGNS OF MONEY LAUNDERING

Types of risk factors which *may*, either alone or along with other factors suggest the possibility of money laundering activity:

#### General

- A new customer with no previous 'history' with the Council;
- A secretive customer: for example, one who refuses to provide requested information without a reasonable explanation;
- Concerns about the honesty, integrity, identity of a customer;
- Illogical third party transactions: for example, unnecessary routing or receipt of funds from third parties or through third party accounts;
- Involvement of an unconnected third party without logical reason or explanation;
- Payment of a substantial sum in cash (but it's reasonable to be suspicious of any cash payments particularly those over £1,000);
- Overpayments by a customer;
- Absence of an obvious legitimate source of the funds;
- Movement of funds to/from overseas, particularly to and from a higher risk country;
- Where, without reasonable explanation, the size, nature and frequency of transactions or instructions is out of line with normal expectations;
- A transaction without obvious legitimate purpose or which appears uneconomic, inefficient or irrational;
- Cancellation or reversal of an earlier transaction;
- Requests for release of customer account details other than in the normal course of business;
- Poor business records or internal accounting controls;
- A previous transaction for the same customer which has been, or should have been, reported to the MLRO.

#### Property Matters

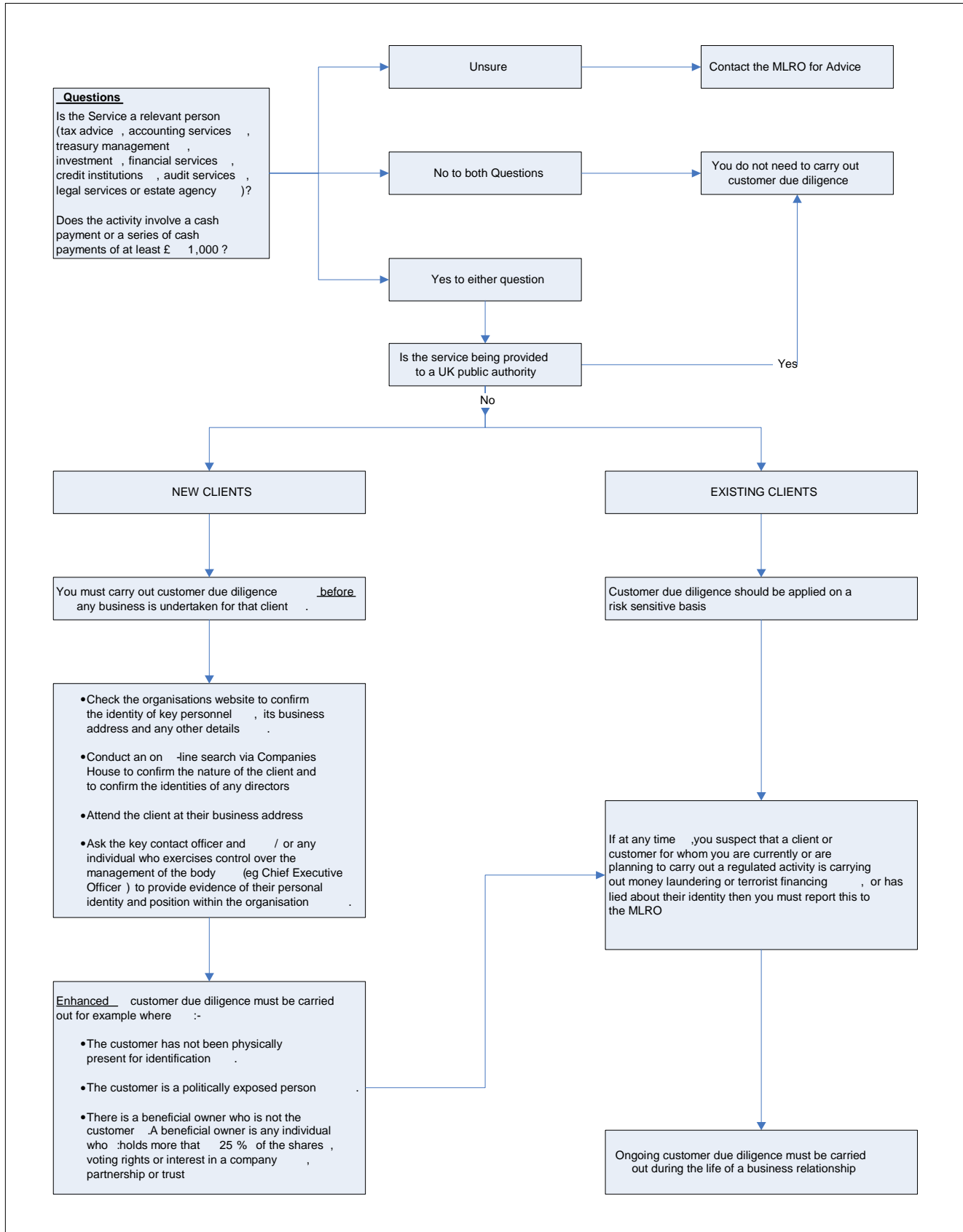
- Unusual property investment transactions with no apparent investment purpose;
- Instructions to receive and pay out money where there is no linked substantive property transaction involved (surrogate banking);

- Regarding property transactions, funds received for deposits or prior to completion from an unexpected source or where instructions are given for settlement funds to be paid to an unexpected destination.

## 11. Appendix C

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### CUSTOMER DUE DILIGENCE PROCEDURE FLOWCHART



## 12. Appendix D



## VERIFICATION OF CUSTOMER IDENTITY

Verification of Customer Identity Checklist for customer:

Name: \_\_\_\_\_

NB: If you are receiving funds from a Council customer in any transaction **above £1,000 cash**, the identity of the customer must be checked.

All suspicions, regardless of amount, should be reported to the MLRO via the Money Laundering Reporting Form.

### A. Evidence not obtained – reasons:

1. Customer previously identified in: Month \_\_\_\_\_ Year \_\_\_\_\_
2. Other – state reason fully \_\_\_\_\_  
\_\_\_\_\_

### B. Evidence obtained to verify name and address:

#### Acceptable on their own:

- Full national passport.
- Full national driving licence with photo.
- Pension book.
- Armed Forces ID Card.
- Signed ID card of employer known to you.

#### Acceptable with two of next group below:

- Young person NI card (under 18 only).
- Pensioner's travel pass.
- Building Society passbook.
- Credit Reference agency search.
- National ID Card.
- Copy Company Certificate of Incorporation if a limited.
- Company and 2 Directors personal identify as above.

**\*NOT acceptable on their own:**

- Gas, electricity, telephone bill.
- Mortgage statement.
- Council tax demand.
- Bank/Building Society/credit card statement.
- Young persons medical card (under 18 only).
- Home visit to applicants address.
- Check of telephone directory.
- Check electoral roll.

*\*Suitable for proof of address only*

NB BEST PRACTICE is to have one of Group (a) plus two of Group (c)

**C. Evidence obtained for unquoted company or partnership:**

- Certificate of Incorporation or equivalent.
- Certificate of Trade or equivalent.
- Latest report and audited accounts.
- Principal shareholder/partner (*personal ID*).
- Principal Director (*personal ID*) .
- Screenshot of the customers' website to confirm their business address.
- Screenshot of Companies House website detailing the nature and business of the customer and confirming the identities of directors.
- A written instruction on the organisation in question's headed paper.

**D. Disadvantaged Customers:**

e.g. Confirmation of identity from Social Worker or Bail Officer, Police, School, Courts etc.

**E. If evidence not obtained for the reasons in A, do you have any suspicions regarding identity? \_\_\_\_\_**

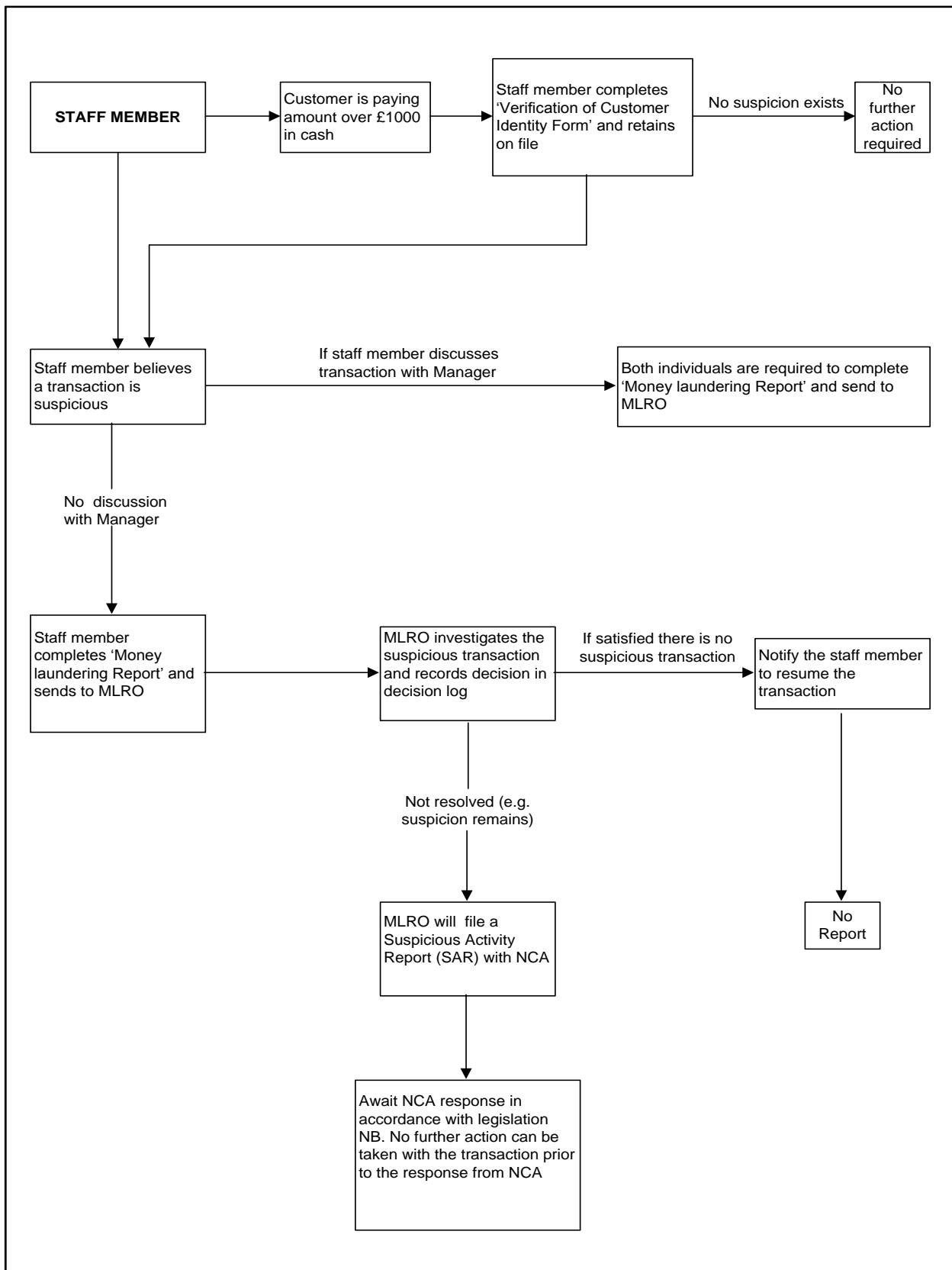
I confirm that I have seen the originals of the documents indicated above and have identified the above Customer(s)

**Signed** \_\_\_\_\_ **Date** \_\_\_\_\_

NB Wherever possible TAKE PHOTOCOPIES of the identification evidence TO PLACE ON FILE. Copies should be notarised to indicate a copy and signed to evidence sight of the original.

## 13. Appendix E

### SUSPICIOUS TRANSACTION REPORTING PROCEDURE



14. Appendix F

MONEY LAUNDERING REPORT

**CONFIDENTIAL**

To: Money Laundering Reporting Officer

From: .....  
*[insert name of officer]*

Directorate: ..... Ext/Tel No:.....  
*[insert post title and Business Unit]*

**DETAILS OF SUSPECTED OFFENCE**

**Name(s) and address(es) of person(s) involved:**

*[if a company/public body please include details of nature of business]*

**Nature, value and timing of activity involved:**

*[Please include full details eg what, when, where, how. Continue on a separate sheet if necessary]*

**Nature of suspicions regarding such activity:**

*[Please continue on a separate sheet if necessary]*

**Has any investigation been undertaken (as far as you are aware)?**

*[Please tick the relevant box]*

☐ Yes ☐ No

**If yes, please include details below:**

**Have you discussed your suspicions with anyone else?**

*[Please tick the relevant box]*

☐ Yes ☐ No

**If yes, please specify below, explaining why such discussion was necessary:**

**Have you consulted any supervisory body guidance re: money laundering? (e.g. the Law Society)**

*[Please tick the relevant box]*

☐ Yes ☐ No

**If yes, please specify below:**

**Do you feel you have a reasonable excuse for not disclosing the matter to the NCA? (eg are you a lawyer and wish to claim legal professional privilege?)**

*[Please tick the relevant box]*

☐ Yes ☐ No

**If yes, please set out full details below:**



**Are you involved in a transaction which might be a prohibited act under sections 327-329 of the Proceeds of Crime Act 2002 or Regulations 86 – 88 of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and which requires appropriate consent from the NCA? (see Appendix A, Offences Table)**

*[Please tick the relevant box]*

☐

Yes

☐

No

**If yes, please enclose details in the box below:**

**Please set out below any other information you feel is relevant:**

**Signed:**..... **Dated:**.....

***Please do not discuss the content of this report with anyone else and in particular anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence, which carries a maximum penalty of 5 years' imprisonment.***

**THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE MLRO**

Date report received: .....

Date receipt of report acknowledged: .....

**CONSIDERATION OF DISCLOSURE:****Action Plan:****OUTCOME OF CONSIDERATION OF DISCLOSURE:****Are there reasonable grounds for suspecting money laundering activity?****If there are reasonable grounds for suspicion, will a report be made to the NCA?**☐☐

*[Please tick the relevant box]*

Yes

No

**If yes, please confirm date of report to the NCA:** .....

and complete the box below:

**Details of liaison with the NCA regarding the report:**

**Notice Period:** ..... to .....

**Moratorium Period:** ..... to .....

**Is consent required from the NCA to any ongoing or imminent transactions which would otherwise be prohibited acts?**

*[Please tick relevant box]*

☐

Yes

☐

No

**If yes, please confirm full details in the box below:**

**Date consent received from the NCA:** .....

**Date consent given by you to employee:** .....

**If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the NCA, please set out below the reason(s) for non-disclosure:**

*[Please set out any reasonable excuse for non-disclosure]*

**Date consent given by you to employee for  
any prohibited act transactions to proceed: .....**

**Other relevant information:**

Signed:..... Dated:.....

***THIS REPORT TO BE RETAINED SECURELY FOR AT LEAST FIVE YEARS***

Earliest disposal date: .....



# Draft Anti-Bribery and Criminal Facilitation of Tax Evasion Policy

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Policy and Guidance Document

Audit and Risk Management  
March 2019

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# Anti-Bribery and Criminal Facilitation of Tax Evasion (CFTE) Policy

## 1. Introduction

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- 1.1 Manchester City Council has a zero tolerance approach to fraud and corruption and will not tolerate malpractice or wrongdoing. The Council's Anti-Bribery and Criminal Facilitation of Tax Evasion (CFTE) Policy is a vital element of our anti-fraud, corruption and governance arrangements and our commitment to prevent and detect bribery, fraud, tax evasion and other irregularity.
- 1.2 The Council is committed to establishing and maintaining effective arrangements to prevent and detect acts of bribery, corruption and tax evasion in relation to Council services. Manchester City Council requires all Members and employees to demonstrate the highest standards of honesty and integrity and this includes compliance with the relevant legislation.
- 1.3 This policy should be read in conjunction with the Anti-Fraud and Corruption Policy and Employee and Member Codes of Conduct. The Council will seek to ensure the corporate stance on bribery is widely publicised and that employees and Members have access to the appropriate guidance. Failure to comply with the procedures set out in this document may result in the commission of a disciplinary and/or criminal offence.

### Scope

- 1.4 This policy applies to Manchester City Council, as a consequence it applies to Members and all its employees of the Council, including temporary and agency staff, including contractors, as well as those employed in community schools, community special schools, voluntary controlled schools and maintained nursery schools as well as volunteers. It contains specific sections to advise employees and Members of the types of offences within the Bribery Act 2010 and the Criminal Finances Act 2017 and the process to be followed to enable the Council to comply with its legal obligations.

## 2. The Bribery Act 2010

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- 2.1 Bribery is defined within the Bribery Act 2010 as, in summary, the offering, promising, giving, receiving or soliciting of a financial or other advantage for the purpose of inducing a person to perform improperly a function or activity of an official in the discharge of his or her public or legal duties. The act of bribery is the intention to gain a personal, commercial, regulatory or contractual advantage.

## Offences

- 2.2 There are four offences under the Bribery Act 2010, which are summarised below; further details are provided at **Appendix A**:
- to offer, promise or give a bribe (Section 1).
  - to request, agree to receive, or accept a bribe (Section 2).
  - bribe a foreign public official in order to obtain or retain business (Section 6).
  - failure by a commercial organisation to prevent bribery in the course of its business - corporate offence (Section 7).

## Prohibited Actions

- 2.3 The Council prohibits the offering, giving, promising, solicitation or the acceptance of any bribe, whether cash or other inducement, specifically:
- to or from any person or company, wherever they are situated and whether they are: a public official or body, a private person, a company, any individual employee, agent or other person or body acting on the Council's behalf;
  - in order to gain any commercial, contractual or regulatory advantage for the Council or group in a way which is unethical;
  - in order to gain any personal advantage, financial or otherwise for the individual, the council, or partner organisations, or anyone connected with said parties.
- 2.4 Employees and Members are forbidden from accepting any inducement which would result in a personal gain or advantage to the briber or any person(s) or third parties associated with them.

## Penalties following Prosecution

- 2.5 The legislation includes severe penalties for breaches of the Act.
- 2.6 An individual found guilty of an offence under Sections 1, 2 or 6 of the Bribery Act is liable on conviction at:
- Magistrates Court: imprisonment for a maximum of 12 months (six months in Northern Ireland), or to an unlimited fine or to both.
  - Crown Court: imprisonment for a maximum term of 10 years, or to an unlimited fine, or both.
- 2.7 Under Section 14 of the Act, Directors, Senior Managers and employees who are found to be involved can all be held personally liable; together with heavy fines for organisations for a failure to prevent bribery.
- 2.8 Section 7 of the Act provides a defence for commercial organisations against prosecution if there are adequate procedures in place to prevent bribery. The Secretary of State has issued statutory guidance on the procedures that relevant commercial organisations can put in place (see Appendix B).

## **Public Contracts and Failure to Prevent Bribery**

- 2.9 Under the Public Contracts Regulations 2015 (which gives effect to EU law in the UK), a company is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence. Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts. However the Council has the discretion to exclude organisations convicted of this offence.

## **Internal Sanctions**

- 2.10 As well as the possibility of criminal prosecution (above), any employee found to be breaching this policy by being involved in bribery may face disciplinary action, which could result in dismissal in cases of gross misconduct.
- 2.11 Any Member found to be involved in bribery will be reported to the Monitoring Officer who may refer the matter to the Standards Committee.
- 2.12 Any supplier found to be involved in bribery is liable to have their contract terminated. The Council will actively pursue the recovery of any costs or financial loss incurred as a result of such termination.

## **3. Criminal Facilitation of Tax Evasion (CFTE)**

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- 3.1 Tax evasion can be described as any fraudulent activity that intends to divert funds from the public revenue and constitutes the common law offence of cheating the public revenue. It is already a crime to deliberately and dishonestly facilitate the commission of revenue fraud as well as be knowingly concerned in, or take steps with a view to, another person fraudulently evading tax that they owe (referred to as criminal facilitation). The fact that this crime may be committed in the course of one's work is not a defence.

## **Offences**

- 3.2 Part 3 of the Criminal Finances Act 2017 introduces a new corporate offence of failure to prevent the CFTE and holds relevant bodies liable for failing to prevent actions taken by employees, agents or other persons or incorporated bodies acting for or on behalf of the relevant body. This is applicable to the Council and applies to situations where the Council fails to prevent 'associated persons' from assisting in the evasion of tax by another party.
- 3.3 An 'associated person', as set out in the legislation, is an employee, agent or other person who performs services for or on behalf of the Council. The offence is committed where the facilitation offences are committed by someone acting in the capacity of an associated person. The associated person can be an individual or an incorporated body.

- 3.4 In order for the corporate charges to be brought there must first be two offences that have taken place (**see Appendix A**):
- Criminal tax evasion by a taxpayer: This must be a criminal offence by the tax-payer. Under legislation this includes “taking steps with a view to” or “be knowingly concerned in” the evasion of tax – an actual loss of public revenue or criminal prosecution need not necessarily take place for the offence to be committed. Non-compliance that falls short of fraud will not result in the corporate charge being brought.
  - Criminal facilitation by an associated person: The associated person must deliberately and dishonestly take action to facilitate the taxpayer’s evasion. To accidentally, ignorantly or negligently facilitate the evasion of tax will not result in the corporate offence.
- 3.5 If both offences have been committed then the Council will have committed the corporate offence of failure to prevent the facilitation of tax evasion unless it can demonstrate that it had reasonable preventative procedures in place.

## Penalties

- 3.6 The penalty for this offence includes unlimited fines and ancillary orders such as confiscation orders or serious crime prevention orders, as well as reputational damage to the Council.

## 4. Responsibilities

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- 4.1 The Council takes seriously its responsibilities in meeting the legal obligations under both the Bribery Act and Criminal Finances Act in ensuring that the exposure to risk is minimised in relation to acts of bribery, corruption and CFTE in the course of business activities.
- 4.2 The Council recognises that any Member or employee engaging in acts of bribery or CFTE will reflect adversely on its reputation and of the public sector in general.

## The Council’s Commitment to Action

- 4.3 The Council is committed to the following actions:
- publish a an anti-bribery and criminal facilitation of tax evasion policy and procedure document which forms part of Council’s approach to anti fraud.
  - make all relevant staff aware of their responsibilities to adhere to this policy.
  - train relevant staff so that they can recognise and avoid the use of bribery and CFTE by themselves and others.
  - encourage staff to be vigilant and to report any suspicion of bribery and tax evasion, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately.

- rigorously investigating instances of alleged bribery and CFTE and assisting police and other appropriate authorities in any resultant prosecution.
- taking firm and vigorous action against any individual(s) involved in bribery and/or CFTE.
- provide information to all employees to report breaches and suspected breaches of this policy.
- ensure relevant partners and suppliers are aware of the Council's stance on anti-bribery and CFTE and include appropriate clauses in contracts and agreements to deter, prevent and detect bribery and CFTE.
- ensure that its policies and control systems are audited regularly to ensure they are fit for purpose.
- address conflicts of interests and the risks created by gifts and hospitality through corporate policies.
- take firm disciplinary action against any member or officer, who engages in bribery or CFTE and assist the police and other appropriate authorities in any resultant action.

4.4 The Council seeks to promote the principles set out within the Ministry of Justice's Bribery Act Guidance when developing procedures, including top-level commitment to tackling bribery (Principle 2) and effective communication, including training (Principle 5) as well as adhering to HMRC guidance for the prevention of CFTE.

4.5 Chief Officers have an additional responsibility (beyond that of all employees) for ensuring this policy is communicated effectively to staff and frequently refreshed throughout their Directorate along with other good practice regarding ethical behaviour.

### **Employee and Member Responsibilities**

4.6 The deterrence, prevention, detection and reporting of bribery, CFTE and other forms of corruption is the responsibility of all employees and Members working for the Council. All employees and Members are required to avoid activity that breaches this policy.

4.7 Employees are expected to:

- Read, understand and comply with the policy; and
- Raise concerns as soon as possible if they suspect that a conflict with this policy has occurred or may occur in the future.

4.8 Chief Officers should review activities regularly within their Directorate to consider their exposure to risk. It is the responsibility of Chief Officers to ensure that staff within their Directorate are aware of their responsibilities in preventing bribery and CFTE and to ensure compliance with policy.

4.9 It is the responsibility of Internal Audit to undertake periodic assessments on the risk of bribery and CFTE across the Council and review the effectiveness of measures put in place to prevent these from occurring.

## 5. Raising a Concern

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- 5.1 All employees have a responsibility to help deter, detect, prevent and report instances of bribery or tax evasion. If employees have a concern regarding a suspected instance of bribery, corruption or tax evasion this should be reported as soon as possible.
- 5.2 Employees who raise concerns or report wrongdoing (e.g. that they have been offered a bribe, asked to bribe a third party or have been asked to facilitate tax evasion) can understandably be worried about whether there will be repercussions. The Council aims to encourage openness and will support anyone who raises a genuine concern in good faith under this policy, even if those concerns turn out to be mistaken.
- 5.3 There are multiple channels to help raise concerns. These are set out in the Council's Whistleblowing Policy (see Appendix C).
- 5.4 The Public Interest Disclosure Act 1998 (PIDA) protects employees and workers who make certain disclosures of information in the public interest. Further information regarding this is included within the Council's Whistleblowing Policy. The Council is committed to ensuring that nobody suffers detrimental treatment through refusing to take part in acts of bribery, corruption or CFTE, or because of reporting a concern in good faith.
- 5.5 In the rare event that internal disclosure proves inappropriate, concerns can be raised by employees directly with the police. Raising concerns in these ways may be more likely to be considered reasonable than making disclosures publicly (e.g. to the media).
- 5.6 Concerns can be raised anonymously. In the event that an incident of bribery, corruption, or CFTE is reported, the Council will act as soon as possible to evaluate the situation. There are clearly defined procedures for investigating fraud, misconduct and non-compliance issues and these will be followed in any investigation of this kind.

## 6. Other Relevant Policies

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Bribery Act 2010 - <https://www.legislation.gov.uk/ukpga/2010/23/contents>

Anti-Money Laundering Policy – AWAITING APPROVAL

Bribery Act 2010 Government Guidance - <https://www.gov.uk/government/publications/bribery-act-2010-guidance>

Anti Fraud & Corruption Policy - [https://secure.manchester.gov.uk/download/meetings/id/12946/item\\_13 - anti-fraud and corruption policies and procedures](https://secure.manchester.gov.uk/download/meetings/id/12946/item_13_-_anti-fraud_and_corruption_policies_and_procedures)

The Council's Whistleblowing Policy – AWAITING APPROVAL

Criminal Finances Act 2017 - <http://www.legislation.gov.uk/ukpga/2017/22/enacted>

Government legislation and guidance for the corporate offence of failure to prevent the criminal facilitation of tax evasion –

<https://www.gov.uk/government/consultations/tackling-tax-evasion-a-new-corporate-offence-of-failure-to-prevent-the-criminal-facilitation-of-tax-evasion>

## Appendix A

### BRIBERY AND CRIMINAL FACILITATION OF TAX EVASION - OFFENCES TABLE

Legislation	Type of Offence	Definition
<b>Bribery Act 2010</b>	<b>Section 1:</b> Offence of bribing another person	This section makes it an offence when: <ul style="list-style-type: none"> <li>• Offers, promises or gives a financial or other advantage to another person and intends the advantage to induce a person to perform improperly a relevant function or activity or to reward a person for the improper performance of such a function or activity; or</li> <li>• Offers promises or gives a financial or other advantage to another person and knows or believes that the acceptance of the advantage would itself constitute the improper performance of a relevant function or activity.</li> </ul>
	<b>Section 2:</b> Being bribed	This section makes it an offence when a person: <ul style="list-style-type: none"> <li>• Requests, agrees to receive or accepts a financial or other advantage intending that, in consequence, a relevant function or activity should be performed improperly.</li> <li>• Requests, agrees to receive or accepts a financial or other advantage and the request, agreement or acceptance itself constitutes the improper performance of the person or a relevant function or activity.</li> <li>• Requests, agrees to receive or accepts a financial or other advantage as a reward for the improper performance of a relevant function or activity; or</li> <li>• In anticipation of or in consequence of the person requesting, agreeing to receive or accepting a financial or other advantage, a relevant function or activity is performed improperly.</li> </ul>
	<b>Section 6:</b> Bribery of foreign public officials	Under this section an offence is committed where a person: <ul style="list-style-type: none"> <li>• Intends to influence a foreign official in an official capacity and intends to obtain or retain business or an advantage in the conduct business; or</li> <li>• Offers, promises or gives any financial or other advantage to a foreign public official.</li> </ul>
	<b>Section 7:</b> Failure of a commercial organisation is guilty of an offence	A relevant commercial organisation is guilty of an offence: <ul style="list-style-type: none"> <li>• If a person associated with the organisation bribes another person intending to obtain or retain an advantage in the conduct of business for the organisation and the organisation fails to take reasonable steps to implement adequate procedures to prevent such activity.</li> </ul>



<b>Criminal Finances Act 2017</b>	<b>Section 45 (4)</b> UK tax evasion offence	<p>In this part “UK tax evasion offence” means:</p> <ul style="list-style-type: none"> <li>• An offence of cheating the public revenue, or</li> <li>• An offence under the law of any part of the United Kingdom consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax</li> </ul>
	<b>Section 45 (5)</b> UK tax evasion facilitation offence	<p>In this part “UK tax evasion facilitation offence” means an offence under the law of any part of the United Kingdom consisting of:</p> <ul style="list-style-type: none"> <li>• Being knowingly concerned in, or taking steps with a view to, the fraudulent evasion of a tax by another person</li> <li>• Aiding and abetting, counselling or procuring the commission of a UK tax evasion offence, or</li> <li>• Being involved at and part in the commission of an offence consisting of being knowingly concerned in, or in taking steps with a view to, the fraudulent evasion of a tax.</li> </ul>
	<b>Section 45 (1) and (2)</b> Failure to prevent facilitation of UK tax evasion offences	<p>A relevant body is guilty of an offence if a person commits a UK tax evasion facilitation offence when acting in the capacity of a person associated with that relevant body.</p> <p>It is a defence for the relevant body to prove that, when the UK tax evasion facilitation offence was committed:</p> <ul style="list-style-type: none"> <li>• The relevant body had in place such prevention procedures as it was reasonable in all the circumstances to expect the relevant body to have in place, or</li> <li>• It was not reasonable in the circumstances to expect the relevant body to have any prevention procedures in place.</li> </ul>

## Appendix B

### PRINCIPLES TO BE CONSIDERED WHEN DETERMINING PROCEDURES

Key Areas of Focus	Actions
<b>Principle 1</b> : Risk assessment – understanding Council's exposure to bribery risk	A full bribery risk assessment and ongoing assessment thereafter to determine the level of exposure and to identify any additional procedures necessary to those already in place.
<b>Principle 2</b> : Top level commitment – sending a clear message that bribery and CFTE will not be tolerated	To be reflected and communicated in relevant policies, procedures and codes including specific anti-bribery and CFTE policy.
<b>Principle 3</b> : Due diligence – knowing who the Council does business with	Understanding the Council's customers and those working for and on behalf of the Council and seeking assurance that they have adequate procedures in place to prevent bribery and CFTE.  Providing assurance over due diligence checks within key processes such as procurement, vendor payments and recruitment vetting.
<b>Principle 4</b> : Clear, practical and accessible policies and procedures – clearly state what is acceptable and what isn't	Specific anti bribery and CFTE policy and procedures which support the Council's stance.  Procedures proportionate to the risks faced by the Council
<b>Principle 5</b> : Effective implementation – going beyond paper compliance and embedding anti-bribery controls	Communication of policies and procedures  Employee training and education
<b>Principle 6</b> : Monitoring and review – regular review of policies, procedures and processes to prevent bribery and corruption	Review levels of compliance with existing policy and procedures.  Benchmark procedures against other organisations and make improvements where necessary.

## Appendix C

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### How to Report a Whistleblowing Concern

Any employee or worker who has a whistleblowing concern relating to the Council can use our whistleblowing reporting procedures.

Anyone reporting a concern should provide as much information as possible, including:

- who the allegations are against;
- full details on the nature of the alleged wrongdoing;
- provide any evidence they have in support of the allegation;
- state if the person making the disclosure is an employee of Manchester City Council;
- If not, does the person work in a school
- Whether the person is a service user or member of the public
- name and contact details (unless they wish to remain anonymous).

Council employees and workers can report a concern through their manager if they feel confident to do so. The manager must follow the obligation of confidentiality and reporting procedures in accordance with the Whistleblowing Policy.

For monitoring purposes, all whistleblowing cases referred to managers must be reported on receipt to Internal Audit. This may be done by the whistleblower, receiving manager or the senior manager investigating the allegations. Internal Audit will also offer advice and support to the appointed investigator.

Concerns can be reported to Internal Audit in one of the following ways:

- E-mail to Internal Audit at: [Whistleblowing@manchester.gov.uk](mailto:Whistleblowing@manchester.gov.uk)
- Telephone: [Whistleblowing hotline on 0161 234 5280](tel:01612345280)
- Use the Council's secure online Whistleblowing reporting form.  
<https://secure.manchester.gov.uk/forms/form/606/en/whistleblowing>
- Concerns can also be reported in writing to:  
Head of Internal Audit and Risk Management,  
**Confidential**  
Manchester City Council,  
Floor 6, Town Hall Extension, Mount Street Elevation  
Manchester, M60 2LA

Internal Audit will gather as much information as possible about the concerns raised. If contact details are provided we may get in touch to seek further information.

Concerns can also be raised with the City Treasurer; telephone 0161 234 3406 or via email [carol.culley@manchester.gov.uk](mailto:carol.culley@manchester.gov.uk)

## **Manchester City Council Report for Information**

**Report to:** Audit Committee – 11 March 2019

**Subject:** Corporate Risk Register

**Report of:** City Treasurer and Head of Internal Audit and Risk Management

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### **Summary**

It is the role of the Audit Committee “to obtain assurance over the Council’s corporate governance and risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements”.

This report supports the Committee in discharging its risk management assurance role by providing the most recent update of the Corporate Risk Register.

### **Recommendations**

Audit Committee is requested to consider the assurance provided by the process for the review of the Corporate Risk Register; and the reported risks and associated actions and assurances.

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### **Wards Affected:**

All

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### **Contact Officers:**

Carol Culley  
Deputy Chief Executive and City Treasurer  
Tel: 234 3506  
E-mail: carol.culley@manchester.gov.uk

Tom Powell  
Head of Internal Audit and Risk Management  
Tel: 234 5273  
E-mail t.powell@manchester.gov.uk

### **Background documents (available for public inspection):**

- Annual Corporate Risk Management Report and Corporate Risk Register Report. Audit Committee 25 January 2018 and December 2018.

## **1. Introduction and Context**

- 1.1. Audit Committee received an annual progress report in relation to delivery of Risk and Resilience strategic priorities in December 2018. In that report it was noted that the corporate risk register (CRR) was being reviewed as part of the process of 2019/20 business planning refresh; through which, the Council's directorate and partnership business plans and supporting documents, including risk registers, were being updated.
- 1.2. This process has been completed with business planning reports being presented to the Council's Scrutiny Committees in February. This process informed the latest refresh of the CRR which is appended to this report.

## **2. Approach to CRR Refresh**

- 2.1. By analysis of Business Plan risk assessments for Core, Children's Services, Adult Services, Strategic Development, Neighbourhoods and Homelessness, a series of high level, cross cutting risks were identified and captured on the CRR. In addition, the most significant directorate risks were identified on the basis of their potential to impact on the delivery of corporate priorities as set out in the corporate plan. These too, have been added to the CRR.
- 2.2. By aligning corporate and directorate risk processes, a wider corporate risk profile has been captured which focuses on (i) strategic risks to be managed collegiately via Strategic Management Team (SMT) and (ii) risks managed by or led primarily by Strategic Directors and their management teams. This has resulted in an assessment of 8 strategic SMT risks and 24 Director-led risks in the CRR.
- 2.3. Risks have been analysed by themes and the CRR also links risks to the Council's seven Corporate Plan Priorities. These are explained as a glossary of terms and assessment criteria at appendix two.
- 2.4. This analysis was presented to the Governance Assurance Group and onward to the Senior Management Team for review and approval. The CRR captures the main areas of assurance and is a 'living document' and will be subject to ongoing review and formal refresh in line with the timetable set out below.

## **3 CRR Refresh: Timetable**

- 3.1 The calendar for refresh of corporate and Business Plan risk assessments remains as follows:

	Frequency	Q3 2018/19	Q4 2018/19	Q1 2019/20	Q2 2019/20
DMTs update risks	Quarterly	Dec 2018	March 2019	June 2019	Sept 2019
Governance and Assurance Group review and agree the CRR	Quarterly	Jan 2019	April 2019	July 2019	Oct 2019
SMT review and endorse the CRR	Quarterly	Jan 2019	May 2019	August 2019	Nov 2019
Audit Committee review risk management arrangements	Annually	February 2019			

#### 4. Key Points to Note

- 4.1 Using the new model of the highest rated directorate level risks as a core component of the Corporate Risk Register the totality of current risk and split of key directorate risks can be described thematically as follows.

Strategic Risks	High	Medium	Total
Our Partnerships	1	1	2
Our People	1	1	2
Our Performance	2	3	5
Our Finances & Resources	1		1
Manchester People		1	1
Manchester Places			
Statutory & Legal Duties		1	1
<b>Total</b>	<b>5</b>	<b>7</b>	<b>12</b>

Key Directorate Risks	High	Medium	Total
Core	2	3	5
Strategic Development	3	2	5
Neighbourhoods	1	3	4
Adult Services	3	1	4
Childrens Services	1	2	3
Homelessness	2	1	3
<b>Total</b>	<b>12</b>	<b>12</b>	<b>24</b>

- 4.2 No low risks have been included within the risk profile on the basis that these will be managed within directorates and only escalated in the event of a change in their risk profile to a degree where they warrant the active engagement of the relevant Strategic Director(s).

- 4.3 Whilst the approach to capture of corporate risks is significantly different to previous iterations of the CRR, the key themes remain consistent.
- 4.4 Whilst there are five high risks held on the CRR, only one is an entirely new to the CRR. This is Risk 2 that focuses on the unpredictable impacts of a “Hard” or “No Deal” Brexit on the ability of the Council to plan effectively and to continue to deliver a full range of services to businesses and citizens. It is classed as a high risk.
- 4.5 Four additional risks are scored as High. All of these were captured on the previous version of the register, although wording has been amended to capture changes within the risk landscape and in the Council’s response. The risks can be:
- ability to deliver planned savings necessary to assure a balanced budget
  - ability to assure the required capability within the workforce to deliver the requirements of transformation and business as usual.
  - ability to develop effective partnership working to deliver Health and Social Care integration
  - ICT resilience and its potential impacts on core systems and services.

## **5. Recommendations**

- 5.1 Audit Committee is requested to consider the assurance provided by the process for the review of the Corporate Risk Register; and the reported risks and associated actions and assurances.



## Appendix One: Strategic Risk Register: Managed by Strategic Management Team

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ID	Level	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
1	Strategic	Our Finances and Resources	7	<b>Planned savings</b> are not achieved resulting in increased pressure on reserves and requirement for unplanned savings and cuts to services to made to achieve a balanced budget.	CT	Robust regular process of budget setting, business and delivery plans and budget monitoring in place with assessment of key financial risks.  Reporting to DMTs and SMT; Executive and Scrutiny Committees.	4x4=16 High	Budget reports 2019/20 to Scrutiny, Executive and Council (CT): February and March 2019
2	Strategic	Our Performance	4 7	Consequences of <b>Brexit</b> impact negatively on a range of budget and other assumptions for the Council, partners and residents of the City. These include impacts on business rates, care and health budgets, airport revenues and welfare budgets; as well as wider impacts on recruitment and retention, economic	CEX	Brexit Preparedness Group  Pan GM Planning Session February 2019 and Head of Policy attendance and feedback from GM Brexit Group.  Reporting to Council Resilience Forum and SMT  Engagement via GM Brexit governance arrangements	4x4=16 High	Directorate Brexit risk and report to SMT (DN): February 2019  Directorate risk and response assessments: (DN): February 2019  Risk assessment in budget assumptions and reports (CT): March 2019

Item 7

ID	Level	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
				development, housing and infrastructure projects.		and though AGMA Civil Contingencies and Resilience Unit.		
3	Strategic	Our People	7	<p>Capability of the <b><u>workforce</u></b> is not aligned effectively to key priorities and organisational requirements. This includes:</p> <ul style="list-style-type: none"> <li>• capacity in core managerial and technical disciplines;</li> <li>• leadership capacity and capability to drive change and transformation; and</li> <li>• workforce motivation and engagement.</li> </ul>	CEX	<p>Corporate plan supported by Our People Strategy and staff engagement including Listening in Action, Our Manchester Experience and regular communications.</p> <p>Leadership and wider skills development programmes in place.</p> <p>Directorate workforce development and Bheard improvement plans.</p> <p>Reporting to SMT, Executive and Resources and Governance Scrutiny</p>	4x4=16 High	<p>Communications, Bheard Action Planning and focused work with Senior Leaders (CT, DHR and Director of Communications): Ongoing</p> <p>Leadership briefings via NW Employers (DHR): From March 2019</p>

ID	Level	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
4	Strategic	Our Partnerships	2	Failure to achieve the desired and intended outcomes of <b><u>health and social care integration</u></b> increases further pressure on Council and health budgets; and impacts on the ability to achieve improved health outcomes for Manchester residents.	CEX	<p>Active senior leadership engagement in HSC governance with MHCC and MLCO. Joint business and budget planning with MHCC and MLCO in place.</p> <p>Risk managed at SMT level with DASS and other Chief Officers.</p> <p>Review of system wide assurance framework with health and Council audit and risk providers reported to Audit Committee February 2019</p> <p>Reporting to Executive, Health and Wellbeing Board and Health Scrutiny Committee.</p>	4x4=16 High	Coordination of risk frameworks and audit planning / reporting 2019/20 (CT and Head of Audit and Risk Management): April 2019.

ID	Level	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
5	Strategic	Our Performance	7	<p>Loss of required <b><u>access to ICT</u></b> systems impacts on the ability to operate services and deliver to Manchester residents.</p> <p>This could arise from risks relating to core infrastructure (network and applications), hardware obsolescence (WYSE terminals), system availability (unsupported systems, insufficient licenses) or cyber-attack.</p>	CT	<p>Transfer to HCI technology in data centre to improve resilience of core infrastructure.</p> <p>Corporate and Service Business Continuity Plans and robust incident management process in place.</p> <p>Programme of ICT investment with reporting to ICT Board, Capital Strategy Board, SMT, Executive and Scrutiny.</p>	4x4=16 High	Completion of Data Centre Programme to address disaster recovery and improve resilience (CT and Director of ICT): September 2019
6	Strategic	Our Performance	7	<p>Lack of understanding or buy-in to <b><u>organisational vision and priorities</u></b> or alignment with partners means overall efforts are not focused efficiently and effectively in key areas and impacts the ability to deliver Corporate Plan Priorities</p>	CEX	<p>Corporate Plan published Business Planning Process in place</p> <p>Staff engagement through LIA, OM and Our People Events</p> <p>Senior Leadership Group and Summits</p>	4x3=12 Medium	Programme of internal communications on corporate and business planning (Director of Communications): Ongoing

ID	Level	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
				and goals linked to Our Manchester and GM Strategy.		Corporate Updates to all staff via Team Talk, Buzz and Forum.  Reporting to SMT and BPPG; Executive and Scrutiny.		Publication of Directorate Business Plans (SMT): March 2019
7	Strategic	Our Partnerships	7	Key <b>suppliers</b> of goods and services or other partners fail to develop or deliver required services, due to lack of financial resilience or other factors, impacting the onward ability of the Council to secure required services to Manchester residents. A key risk given inflationary pressures, Brexit and lack of competition in some markets.	CT	Professional Procurement and Commissioning Teams in place to support services in effective management of procurement lifecycle; including supplier due diligence.  Contract management register and risk assessment in place.	3x4=12 Medium	Bankruptcy / Liquidation Policy to enable consistent response to supplier failure (CT): April 2019  Programme of commissioner and contract manager training (CT): Ongoing

ID	Level	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
8	Strategic	Statutory & Legal Duties	7	<b><u>Information governance and information technology security</u></b> arrangements, including behaviours of the workforce, partners and suppliers, are insufficient to prevent serious avoidable data losses, breaches or authorised access to systems or data.	CT CS	Governance through CIARG and network of Senior Information risk Officers at Corporate, Departmental and Service Level supported by core IG and ICT security personnel, including Data Protection Officer  Established breach reporting processes for ICT security and information incidents.	3x4=12 Medium	Programme of ICT / IG awareness (CT and CS): Ongoing  Development of policy compliance (enforcement) tools (CT and Director of ICT): March 2019.
9	Strategic	Our Performance	7	Current or proposed <b><u>ICT systems</u></b> essential to business operations and legal compliance are not implemented or maintained (due to being out of support or lack inherent resilience) due to limitations in	CT	Agreed ICT Strategy and investment plan in place.  Prioritisation process via Core ICT Board, ICT Board and Capital Strategy Board.	4x4=16 High	Regular review and refresh of projects via Core ICT Board (CT, CS): Ongoing  Senior sponsorship of critical or flagship projects with robust governance.

ID	Level	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
				availability of financial and ICT resources.		Senior sponsorship of critical or flagship projects with robust governance.		
10	Strategic	Our People	7	Changes in <b><u>senior leadership</u></b> impact adversely on the capability required to promote and sustain positive organisational change and transformation.	CEX	Roles and responsibilities confirmed through SMT.	4x3=12 Medium	Recruitment of Director of ICT (CT)  Core restructure (CT)  Review of DAS and DASS roles in context of health and social care integration (CEX)
11	Strategic	Manchester People	1 2	Inability to maintain and demonstrate organisation-wide arrangements to <b><u>safeguard children and vulnerable adults</u></b> result in harm to those most in need with associated impact on families as well as financial	CEX DCS DAS	Manchester Safeguarding Adults and Safeguarding Childrens Boards.  Statutory roles and assurances through Director of Adult Services and Director of Childrens Services	4x3=12 Medium	Adults Improvement Plan (DAS)

ID	Level	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
				and reputational damage to the Council.		Multi Agency Safeguarding Hub in Childrens		
12	Strategic	Our Performance	1	<b><u>Implementation of new case management system</u></b> (Liquid Logic) does not have the anticipated impact and fails to deliver the necessary improvements in practice, recording, reporting, management oversight and performance.	DCS DAS CT	<p>Programme Management for implementation of the new system has full service and corporate support as a Council wide priority.</p> <p>Engagement in delivery to the required standard is drawn from all levels of the service and organisation as necessary, and professional practitioner scrutiny, challenge and leadership of the system development is robust.</p>	3x4 = 12 Medium	<p>Practice and strategic leads for development and implementation are in place.</p> <p>Service engagement with project management and system development is regular and detailed.</p>



## Appendix Two: Strategic Risk Register: Managed Primarily by Directorate Chief Officers

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
D1	Core	Our People	7	<p>Lack of <b><u>capability across the Core</u></b> to lead and engage effectively in development, support, challenge and assurance activity impacts on ability to of Core to drive and support organisational reform, transformation and change as well as operation of effective systems of governance, risk management and control.</p> <p>Includes capacity to support early and effective influence and engagement in key areas such as financial planning, project governance and change programmes including health and social care.</p>	CT CS DHR	<p>Our People Strategy and associated Core Workforce Development Plan.</p> <p>Bheard action planning to support increased motivation and engagement.</p> <p>Prioritisation and Risk Assessment processes in place across services.</p>	4x4=16 High	<p>Core prioritisation approach to be reviewed as part of Core Transformation Programme (CT, CS): Ongoing</p> <p>Recruitment to Director of ICT and Director of HROD posts</p>

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
				<i>(Part of cross cutting workforce risk on SMT Strategic Risk Register)</i>				
D2	Core	Our Performance	7	Inconsistent understanding and expectations of the <b><u>role of the Core</u></b> increases demands of services to deal with roles and functions that should be / could be better governed and managed in part or in full within other directorates and services.	CT CS DHR	Core Transformation Programme underway to ensure an effective, coordinated Core focused on key priorities.	3x4=12 Medium	Development and delivery of Core Transformation Programme (CT, CS): Ongoing.
D3	Core	Our Finances and Resources	7	Inability to deliver required <b><u>savings attributable to the Core</u></b> due to interdependencies with the actions of other directorates and with other Core services.	CT CS DHR	Core Business Plan and Budget 2019/20  Core Transformation Programme underway will also support identification	3x4=12 Medium	Development and delivery of Core Transformation Programme (CT, CS): Ongoing.

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
						and delivery of sustainable savings.		
D4	Strategic Dvt	Manchester Places	3 5 6	Failure to deliver the spatial framework, GM Strategy and Our Manchester targets for attractive and <b><u>increased housing offer</u></b> and infrastructure improvements attracting new businesses and improving skills impacts on pace of growth in the City and achievement of future financial assumptions over NNDR and Council Tax income.	DSD	Residential Growth Board.  Numerous joint ventures including Manchester Life (Eastern Gateway), Far Eastern Consortium (Northern Gateway), Spinningfield, Mayfield, St Johns, Eastlands Strategic Development Company.  Review of the Manchester Local Plan and officer influence over the GM agenda.	4x4 = 16 High	Continued emphasis on gathering sophisticated market intelligence re market conditions, enabling prediction of market changes and adaptation as a result.  Influence the policy direction of the GM Spatial Framework for planning.

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
D5	Strategic Dvt	Manchester Places	3	Failure to put in place the necessary arrangements to enable our <b><u>target of a minimum of 25,000 homes over 10 years</u></b> (2025) and which will also meet the political priorities associated with the affordability of those homes.	DSD	<p>Residential Growth Strategy and Delivery Plan set out how the residential pipeline necessary to maintain the City's economic growth will be met.</p> <p>Residential growth governance arrangements provide a strong set of project boards that ensure delivery of residential growth are in place.</p> <p>Detailed policy proposals relating to Affordable Housing approved by Executive in December 2018 will drive future activity.</p> <p>6k homes completed with 14k in the pipeline for delivery by March 2021. Leaves 5k of the original target to identify.</p>	4x4 = 16 High	<p>Develop strategy and priorities for further growth in tax base to maximise income.</p> <p>Mitigation plans developing to manage the impact of Brexit through using public land/funding stimulus.</p> <p>Staffing capacity review to ensure service able to meet demands.</p> <p>Affordable Housing Action Plan back to Executive in 2019.</p> <p>Development activity to be taken forward with JV partners. Council needs to commit staff resources</p>

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
						Proposals/agreed to increase the target to 32k by March 2025.		to service these JV arrangements and to oversee and maintain robust joint Action Plans with partners.
D6	Strategic Dvt	Manchester Places		Inability to develop, design and deliver <b><u>major infrastructure projects</u></b> across highways linking with strategic development plans, to time, quality and on budget.	DSD	<p>Arrangements to ensure senior officer and member engagement through project boards; major project governance structures include SMT level Senior Responsible Officers and project boards.</p> <p>Financial approval and reporting on budget and spend via capital gateway processes SMT leadership of Capital Investment Board</p> <p>Reports to Executive and Scrutiny Committee.</p>	4x4=16 High	Ongoing involvement in senior level boards

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
D7	Strategic Dvt	Our Finances and Resources	2 7	The <b>operational estate</b> does not meet the Council's needs in the context of required capacity and transformation and opportunities for co-location with partners. The emerging nature of demands and requirements within existing resources could potentially mean that the service cannot meet the requirements as well as being safe, secure and effective within timescales, resulting in ongoing/planned work having to be deprioritised.	DSD	<p>Corporate Landlord, Estates and Facilities in a single function with appropriate resourcing to deliver estates rationalisation and transformation.</p> <p>Strong governance through the Estates Board and Executive Member Estates Board ensures corporate oversight and prioritisation.</p> <p>High level governance ensures high prioritisation of maintenance of the operational estate, stock condition surveys have significantly enhanced knowledge of content, scope and condition and used to inform planned work programmes.</p> <p>Delivery programme to support Property</p>	4x3=12 Medium	<p>Planned security awareness training for all staff (DSD): March 2019.</p> <p>Deliver against 5 Year Estates Strategy that reflects corporate priorities, which includes how we approach Integration and co-location.</p> <p>Plan for potential impacts of Town Hall decant to support renovation and change of use.</p> <p>Deliver planned refurbishment programmes necessary to prepare for releasing the poorer quality assets.</p>

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
						Rationalisation Strategy, Control processes agreed with Facilities management. Business continuity plan refresh and building continuity plan.		Continue to identify refurbishment schemes that attract capital funding rather than delivery through the Asset Management Plan.
D8	Strategic Dvt	Our Finances and Resources	7	The management of the <u>investment property estate</u> fails to achieve the income targets set within the 3 year budget strategy. Less profitable parts of the portfolio are not offset by opportunities to increase income elsewhere.	DSD	<p>Work will continue to be undertaken to manage the risk associated with those parts of the investment estate.</p> <p>Re-tender of Jacobs contract ensures more robust management of the investment estate but a sharing of risk and reward.</p> <p>Close monitoring of risks to the income arising from onerous legacy leases on a</p>	3x4=12 Medium	<p>Further work around the airport, Wythenshawe Town Centre will ensure that opportunities to increase income are maximised.</p> <p>Further work will be undertaken to increase the City's digital assets.</p> <p>New opportunities to generate long term income will continue</p>

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
						small but financially sensitive number of assets		to be explored and evaluated, along with ongoing reviews to ensure costs against the estate are controlled.
D9	N'Hoods	Manchester Places	4 7	The Our Manchester Strategy and approach fails to drive <b><u>resident and community behavioural change</u></b> necessary to reduce dependency and foster neighbourhood improvements. Key strategic priorities are not delivered. This generates additional pressure on Universal services and affects the directorate's ability to deliver required budgetary savings.	DN	<p>Strategy clearly articulated and supported by major communications campaign.</p> <p>Key partner buy in in place and actions being developed collectively.</p> <p>Strategic roadmap and delivery plan are clear and provides framework for performance monitoring.</p>	4x4 = 16 High	<p>Activate and deliver programmes at a neighbourhood level targeted at the needs of communities.</p> <p>Twelve Neighbourhoods selected to test out approaches. Training and development of staff to equip them with the right tools to have different conversations with residents. Resident Engagement Approach in development.</p>



ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
								Programme has been developed into "Bringing Services Together for People in Places".
D10	N'Hoods	Manchester Places	4	Overall level of <b><u>waste management contract performance</u></b> does not meet Council requirements and resident expectations in terms of waste collection and street cleansing	DN	Waste Management Strategic Board, G&N Programme Board, Performance Contract management Group, Neighbourhoods Scrutiny Committee and significant partnerships register with associated assurance processes.	4x3 = 12 Medium	Ongoing review through agreed governance arrangements plus additional interventions: <ul style="list-style-type: none"> <li>• Bi-annual sessions to be established for Biffa / elected members to meet (2019).</li> <li>• Joint communications plan to be developed with Biffa to improve perceptions of service.</li> </ul>

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
D1 1	N'Hoods	Manchester Places	4	Level of positive interventions / interactions with people who are rough sleeping and begging and levels of street cleanliness, aligned to integrated partnership activity are not sufficient to outweigh external factors and avoid negative perceptions of the City Centre as clean, safe, destination of choice for residents and visitors.	DN	<p>Clear performance framework monitored monthly by both City Centre Accountability Board chaired by the Leader and City Centre Co-ordinating Group composed of senior officers responsible for the delivery of objectives.</p> <p>Increasing the range of positive options available through the criminal justice system. Effective use of ASB tools and powers with expertise across the partnership increasing, including the use of business and community impact statements</p> <p>Increase in combined outreach operations between GMP and partners including voluntary sector</p>	3X4 =12 Medium	<p>Work currently taking place to assess whether a City Centre PSPO should be pursued.</p> <p>Ongoing officer engagement with ward councillors</p>

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
						<p>leading to improved outcomes</p> <p>Significant progress made in finding accommodation for people sleeping rough in the city centre including 'entrenched'. Introduction of assertive outreach model by rough sleeping team is making impact</p> <p>Increasing awareness of City Centre businesses, and increasing active business support of the partnership approach to ending rough sleeping and begging</p>		
D1 2	N'Hoods	Manchester Places	5	Delivery of service development priorities and associated plans in <b>Highways</b> are not achieved within proposed timescales and budget resulting in inability to deliver Council	DN	<p>Highways Client Board.</p> <p>Portfolio Board monitors capital gateways and revenue spend and forecasting.</p>	4x3 = 12 Medium	Progress recruitment to approved Highways staffing structure

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
				priorities including success of the planned major investment in highways improvement.		<p>Highways Improvement Board chaired by DN established providing additional oversight</p> <p>Capital funding requirements set out in Capital Strategy and approved through capital gateways.</p> <p>Reporting to Executive and Scrutiny Committees.</p>		
D13	Adults Services	Manchester People	27	Inability to secure <b><u>effective triage at the front door</u></b> results in inappropriate demand into the service and related use of resources. Leads to risk of breaching Care Act 2014 statutory responsibilities relating to information and advice; and increased demand into the service (and therefore	DASS	<p>Adults Improvement Plan.</p> <p>Member and Senior Officer engagement in MHCC and MLCO governance structures.</p> <p>Reporting to SMT, Executive and Health Scrutiny Committee.</p>	4x4 = 16 High	<p>Immediate work on front door included in the Improvement Plan focused on potential for additional social work resources</p> <p>Front door workstream included as part of transformation</p>

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
				spend) when needs could have been met at the front door				programme/MLCO
D14	Adults Services	Manchester People		Inability to <u>assess and review citizens in a timely, proportionate and consistent and manner</u> results in an increased risk of safeguarding and unmet need. Leads to risks of increase in safeguarding enquiries; in vulnerability to threats of judicial review; and in complaints, with consequent impact on service capacity and capability.	DASS	Adults Improvement Plan.  Member and Senior Officer engagement in MHCC and MLCO governance structures.  Reporting to SMT, Executive and Health Scrutiny Committee.	4x4 = 16 High	Progress work in Improvement Plan currently underway to reduce waiting lists; redefine assessment / review process to make it more streamlined, including more devolved decision making; and ensure use of management information is embedded in the service and supports decision making.
D15	Adults Services	Our Partnerships	2	Partnership governance arrangements necessary to deliver key components of <u>Health and Social Care integration</u> deteriorate over	DASS	Member and Senior Officer engagement in MHCC and MLCO governance structures.	4x4 = 16 High	Review of governance arrangements needed covering MLCO, MHCC and

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
				<p>time and affect ability to deliver major workstreams through potential:</p> <ul style="list-style-type: none"> <li>• loss of decisive leadership.</li> <li>• divergence in goals between partners.</li> <li>• slow decision making.</li> <li>• conflict between partners.</li> </ul> <p>This results in inability to deliver overall ambitions and anticipated benefits of one or more high priority programmes.</p>		Reporting to SMT, Executive and Health Scrutiny Committee.		MCC, in order to reduce risk highlighted
D16	Adults Services	Manchester People	27	<p><b><u>Loss of access to data</u></b> presents potential risk to citizens and an inability to deliver a safe, effective service with potential impacts on decision making, safeguarding and with GDPR and other legislation. This could be a loss of information</p>	DASS	<p>Reports to ICT Board and SMT.</p> <p>Information risks reported through Directorate management structures, Directorate Senior Information Risk Officer and</p>	4x3=12 Medium	Bespoke plan to be developed and implemented through improvement aiming to mitigate the impact of the cutover period.

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
				<p>or denial access due to system outages.</p> <p>Current focus on risks arising from operating without a case management system during the minimum 8 day 'cutover' period prior to Liquid Logic 'go live' in 2019.</p>		<p>Corporate Information Assurance and Risk Group.</p> <p>Programme and project governance in place for Liquid Logic with senior officer representation and leadership.</p>		
D17	Children's Services	Manchester People	1	<p>Increased population and the needs of children and families across the City impact on the ability to respond effectively to the complexity and scale of need within available resources. This leads to the chances for children and young people to be safe, happy and successful, attending a 'good' or better school, being compromised.</p>	DCS	<p>Performance Management and Quality Assurance Frameworks in place to support leaders and managers to direct teams and staff and develop effective responses to improve practice and learning to more effectively manage and plan case work towards earlier intervention and more effective planning to reduce complexity.</p>	4x4 = 16 High	<p>Performance Clinics and Edge of Care Working Group are supporting development of analysis and commissioning of interventions matched to need profile, to offer tools to practitioners to tackle complex need and dependency.</p> <p>Locality Plan to be</p>

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
								delivered over next six months, aimed at ensuring resources are allocated proportionally across teams and localities, and safely reducing demand for social work capacity through early intervention.
D19	Children's Services	Manchester People	1	Insufficient <b><u>school places</u></b> to meet the needs of Manchester children 2019/20 and onwards.	DCS	Key leaders from across the Council involved in place planning through Strategic Capital Board.  Reports to Executive and Young People and Scrutiny Committee.	4x3 = 12 Medium	Develop a strategic relationship with the Regional Schools' Commissioner Representation to DfE regarding process and funding.  Align Early Years sufficiency with schools place planning.



ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
D20	Homelessness	Manchester People	2 3	The volume of <b><u>new homelessness referrals</u></b> outstrips the available resources. Service and quality standards deteriorate.	SLHM	<p>Monitoring of actions to reduce demand set out in Homelessness Strategy overseen by Homelessness Partnership and Health Scrutiny Committee.</p> <p>Agreed actions in Homelessness Business Plan monitored by Executive Member and Health Scrutiny Committee.</p> <p>Actions in 2018/19 included:</p> <p>Doubling in size of outreach team in 2018/19 to support targeting of services.</p> <p>Staff within the customer service team and appointment based approach assist in triaging cases and signposting to appropriate services.</p>	4x4 = 16 High	<p>Actions in Homelessness Business plan presented to Executive February 2019 include:</p> <p>Investment in homelessness prevention and accommodation budgets.</p> <p>Invest in prevention services further upstream to reduce demand through the front door.</p> <p>Work with Registered Providers to provide prevention advice</p> <p>Ensure appropriate data available to monitor demand.</p>

ID	Business Plan Area	Theme	Key Corporate Plan Links	Risk Description	Risk Owner	Existing Key Controls and Sources of Assurance	Risk (current) Impact x Likelihood	Areas for Key Actions and Deadlines
						Advice contract focusing upon prevention of homelessness		Invest in Housing Solutions staff to manage the demand
D2 1	Homelessness	Manchester Places	2 4	<b><u>Increases in numbers of homeless people</u></b> on the streets results in negative impact on reputation of Council and the City.	SLHM	<p>Monitoring of actions via Homeless Strategy, Homelessness Partnership and Health Scrutiny.</p> <p>Communications strategy in place.</p> <p>City Centre Accountability Board supported by multi agency fora with focus on City Centre including strategies to reduce rough sleeping.</p> <p>Regular update and progress reports to partners including the Business Improvement District Board.</p>	3x3 = 9 Medium	<p>Development of outcomes frameworks to deliver objectives of Homelessness Strategy to address demand.</p> <p>Ongoing delivery of governance and oversight through City Centre Accountability Board.</p> <p>Actions in Homelessness Business plan presented to Executive February 2019</p>

## Key to Terms and Acronyms

### 1. Themes

Our Partnerships	Primary impacts on delivering outcomes through partnerships and key suppliers at national, regional, GM, City or local level.
Our People	Primary impacts linked to the workforce capability, capacity, skills, motivation and engagement.
Our Performance	Primary impacts on delivering on stated priorities, targets and agreed performance standards.
Our Finances & Resources	Primary impacts on financial and other (non workforce resources) including ICT, information and premises
Manchester People	Primary impacts on Manchester residents, service users and those who engage with universal or specialist series across the City; including children and adults.
Manchester Places	Primary impacts on Manchester neighbourhoods and place, including infrastructure, transport, housing, leisure and other universal services for residents and visitors.
Statutory & Legal Duties	Primary impacts on legal duties and compliance with legislation

### 2. Corporate Plan Links

1	<b>Young People:</b> From day one, support Manchester's children to be safe, happy, healthy and successful, fulfilling their potential, and making sure they attend a school graded 'good' or better
2	<b>Healthy, Cared-for People:</b> Work with partners to enable people to be healthy and well. Support those who need it most, working with them to improve their lives
3	<b>Housing:</b> Ensure delivery of the right mix of good-quality housing so that Mancunians have a good choice of quality homes
4	<b>Neighbourhoods:</b> Work with our city's communities to create and maintain clean and vibrant neighbourhoods that Mancunians can be proud of.

5	<b>Connections:</b> Connect Manchester people and places through good-quality roads, sustainable transport and better digital networks
6	<b>Growth that Benefits Everyone:</b> To support our priorities, we need to continue to promote and drive sustained economic growth and job creation that benefits everyone
7	<b>Well-Managed Council:</b> Support our people to be the best and make the most of our resources.

### 3. Risk Owners

CEX	Chief Executive, Joanne Roney
CT	Deputy Chief Executive and City Treasurer, Carol Culley
CS	City Solicitor, Fiona Ledden
DCS	Director of Childrens Services, Paul Marshall
DASS	Director of Adult Services, Bernadette Enwright
DSD	Director of Strategic Development, Eddie Smith
DN	Director of Neighbourhoods, Fiona Worrall
DHR	Director of HROD Lynne Ridsdale
DPH	Director of Public Health, David Regan
SLHM	Strategic Lead- Homelessness and Migration, Nicola Rea

#### 4. The Risk Continuum: Risk Scoring Guidelines

Risk Impact and Likelihood scores are attributed from within a sliding scale. Definitional statements are described in broad terms and there is a requirement to consider each risk within the continuum and apply specialist understanding or experience to apply a risk score.

Score	Impact	Likelihood
5	<p>Life threatening / multiple serious injuries.</p> <p>Severe impact on Priority 1 or Key Service performance.</p> <p>Intense political and media scrutiny i.e. national media coverage / prolonged local media coverage.</p> <p>Possible legislative, criminal, or high profile civil action against the Council, members or officers.</p> <p>Cessation of core activities.</p> <p>Failure of major projects/programmes.</p> <p>Finance impacts that cannot be managed from within financial Directorate resources.</p> <p>Statutory intervention triggered.</p> <p>Impact on the whole Council.</p>	High likely that risk will be realised (60%)
3	<p>Threat to the health and wellbeing of one or more individuals. Potential for workdays lost to injury/stress</p> <p>Additional scrutiny required by management and internal committees.</p> <p>Service impacts require co-ordinated directorate response.</p> <p>Some local media attention requiring corporate intervention.</p> <p>Failure of projects with directorate impact</p> <p>Core activities continue to be delivered but reasonable adjustment required to focus resources at priority areas</p> <p>Budgetary realignment required to manage impacts.</p>	Medium/Low likelihood (circa 30%)
1	<p>Injuries / stress requiring only limited medical intervention.</p> <p>Limited additional scrutiny required by management.</p> <p>Risk unlikely to receive local media coverage.</p>	Whilst possible the likelihood of the risk being

	Short-term disruption of activities / service performance. Internal policies and regulations not complied with. Finance impacts managed with minimal impact.	realised is considered low (<5%)
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# Audit Committee: Work Programme 2018/19

**TBC Meeting Date – 15 April 2019, 10am (Report deadline 4 April 2019) 120 minutes**

Item	Lead Officer	Position	Comments	AC ToR	Time on agenda
Draft Annual Governance Statement (AGS)	Courtney Brightwell  Kate Waterhouse	Performance Manager  Head of Performance, Research & Intelligence	To advise the processes followed to produce the AGS and obtain Audit Committee input to the draft statement. <i>To consider and comment</i>	1 3 4.10 4.12	30
Review of Internal Audit and Quality Assurance Improvement Programme (QAIP)	Carol Culley	City Treasurer	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. <i>To consider and comment</i>	3	15
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. <i>To consider and comment</i>	4.6	30
Annual Internal Audit Plan	Tom Powell Kathryn Fyfe	Head of Audit and Risk Audit Manager	To provide the Internal Audit Strategy and annual internal audit work plan for Audit Committee consideration in line with Public Sector Internal Audit Standards. <i>To review and approve</i>	4.2 4.3	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. <i>To consider and comment</i>	4.1	20
Work Programme and Audit Committee Recommendations Monitor	Andrew Woods	Governance Team Leader			5

TBC Meeting Date – June 2019, 10am (Report deadline tbc) 95 minutes					
Item	Lead Officer	Position	Comments	AC ToR	Time on agenda
Internal Audit Annual Report	Tom Powell Kathryn Fyfe	Head of Audit and Risk Audit Manager	Report of internal audit activity for the year. <i>To consider and comment</i>	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. <i>To consider and comment</i>	1	30
Revenue Budget Outturn Report	Carol Culley	City Treasurer	To report the revenue outturn for the year as reported to Executive. <i>To note</i>	1	5
Capital Budget Outturn Report	Carol Culley	City Treasurer	To report the capital outturn for the year as reported to Executive. <i>To note</i>	1	5
Response letters from City Treasurer and Audit Committee Chair to the External Auditor	Carol Culley	City Treasurer	Draft responses proposed to be issued to the External Auditor from the City Treasurer and the Audit Committee Chair for the audit of the accounts	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. <i>To consider and comment</i>	4.11	10
External Audit Progress Report	Karen Murray	External Audit (Mazars)	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	Andrew Woods	Governance Team Leader			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 environment and associated anti-fraud and anti-corruption arrangements.
  - 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.

Date	Item	Recommendation	Response	Contact Officer
22 March 2018	AC/18/15 Review of Effectiveness of Internal Audit	4. To request that the subsequent reports on the Review of Effectiveness of Internal Audit include recognition of the importance of the role of the independent members serving on the Audit Committee.	This will be reflected in the 2018/19 review to be presented to March or June 2019 Audit Committee.	Carol Culley City Treasurer
31 July 2018	AC/18/37 Annual Statement of Accounts 2017/18 and Letter of Representation	To request officers to refresh the description of the core functions of Council committees, as detailed in Appendix 2 of the report, and include this within the 2018/19 Statement of Accounts.	For inclusion in 2018/19 accounts to Audit Committee June 2019	Carol Culley City Treasurer
5 Nov 2018	AC/18/54 2018/19 Annual Governance Statement (AGS) – Summary of Progress to Date	To request that the <b>Annual Governance Statement</b> includes a response to concerns expressed regarding the consistency of the implementation of the Our Manchester behaviours across all areas of the Council's services and staff.  To request that, as part of the <b>Annual Complaints report</b> , officers include details on the number of Freedom of Information and other subject access requests made to the Council and provide details of the average length of staff time taken to process a request and costs involved.		
10 December 2018	AC/18/63 Draft Code of Corporate Governance	To request officers to circulate to Audit Committee members, information and examples of benchmarking work used to assess functions, expenditure and performance.  To request officers to strengthen the wording used to set out responsibilities on Managing Data and that	The MDWG has received the request and included the topic in its work programme.	

		<p>this be included in the programme of implementation for the Annual Governance Statement.</p> <p>To request the Member Development Working Group to include within its Annual Work Programme for members training 'understanding of the Council Constitution - the protocol governing officer member relations'.</p>		
10 December 2019	AC/18/64 Risk and Resilience Strategy and Corporate Risk Register	<p>To request that a further report is submitted on the refreshed Corporate Risk Register to the meeting of the Committee on 11 February 2019.</p> <p>To request that the Corporate Risk Register include reference to the potential risks of Brexit on Council services.</p>	Report included on the agenda for the 3 March 2019 meeting.	
11 February 2019	AC/19/03 Internal Audit Assurance Report	To refer the report submitted to the Health Scrutiny Committee for information and to draw the Committee's attention to the concerns raised regarding Adult Services.	Report has been referred to the Health Scrutiny Committee	
11 February 2019	AC/19/04 Internal Audit: Manchester Support for Independent Living (MSIL) Risk Assessment and Audit Plan	To request the Head of Internal Audit and Risk Management to include a draft Annual Audit Plan Visioning report item in the Annual Work Programme 2019/20 for submission to the December 2019 meeting of the Committee.		
11 February 2019	AC/19/05 Outstanding Audit Recommendations	To invite the Director of Adult Services to attend the next meeting of the Committee to provide a service wide report that is supported by Children's Services, to respond to the concerns raised regarding the overdue audit work relating to:	Risk review agenda item – 11 March 2019 meeting	

		<ul style="list-style-type: none"> <li>• Transition to Adult Services</li> <li>• Homecare Contract</li> </ul>		
11 February 2019	AC/19/06 Register of Significant Partnerships	To refer the Brunswick PFI for consideration by the Resource and Governance Scrutiny Committee.	The matter has been referred to the Resource and Governance Scrutiny Committee	
11 February 2019	AC/19/07 Health and Social Care Assurance Framework	To request that the minutes of the Manchester Local Care Organisation Audit Committee be submitted to the Audit Committee for information.	MLCO have been requested to forward the Audit Committee minutes for information.	

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