



Audit Committee

Date: Tuesday, 10 December 2019

Time: 10.00 am

Venue: Council Antechamber, Level 2, Town Hall Extension,
Manchester

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

Meetings of the Audit Committee are 'webcast'. These meetings are filmed and broadcast live on the Internet. If you attend this meeting you should be aware that you might be filmed and included in that transmission.

Membership of the Audit Committee

Councillors - Ahmed Ali (Chair), Clay, Lanchbury, Russell, Stanton, Watson, Barker and Downs

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

Agenda

- 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 - 10
To approve as a correct record the minutes of the meeting held on 12 November 2019.
- 5. Transitions - Children's Services to Adults Services**
Report to follow.
- 6. Update of Audit Recommendations**
Report to follow.
- 7. External Audit - Update** 11 - 18
The report of the Council's External Auditor is enclosed.
- 8. Draft Code of Corporate Governance** 19 - 46
The report of the Deputy Chief Executive and City Treasurer is enclosed.
- 9. Annual Audit Plan - Horizon Scanning Report**
Report to follow.
- 10. Work Programme 2019/20 and Recommendations Monitor** 47 - 56
A copy of the Work Programme is attached.

Information about the Committee

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.

Smoking is not allowed in Council buildings.

Joanne Roney OBE
Chief Executive
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Further Information

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

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

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Audit Committee

Minutes of the meeting held on 12 November 2019

Present:

Councillor Ahmed Ali - In the Chair
Councillors Clay, Lanchbury, Russell and Watson

Independent Co-opted member: Dr S Downs

Independent Co-opted member: Dr D Barker

Also Present:

Councillor Ollerhead, Executive Member for Finance and Human Resources
Stephen Nixon, Mazars

Apologies: Councillor Stanton

AC/19/49 Minutes

Decision

To approve the minutes of the meeting held on 15 October 2019 as a correct record.

AC/19/50 Treasury Management (Interim) Report

The Committee considered the report of the Deputy Chief Executive and City Treasurer that provided Members with an update on Treasury Management activities of the Council during the first six months of 2019-20.

Decision

To note the report.

AC/19/51 Internal Audit Assurance Report

The Committee considered the report of the Deputy Chief Executive and City Treasurer and the Head of Internal Audit and Risk Management that provided Members with a summary of the work of the Internal Audit Section from April to September 2019, including progress toward delivery of the annual audit plan, a summary of assurance opinions on completed audits and a summary position on the implementation of Internal Audit recommendations. Focus was on the work produced in the second quarter of the year July to September. The opinions and statistics had been shared with Directorate senior managers for discussion; to agree actions; and would be used to inform an overall annual assurance opinion in March 2020.

The Chair stated that he welcomed the format of the Executive Summaries that had been provided throughout the report.

A Member commented upon the Limited Assurance given for the governance arrangements between the Council and the Manchester Local Care Organisation (MLCO). The Head of Internal Audit and Risk Management stated the challenges arose due to multiple organisations, acting as commissioners and providers and their respective reporting mechanisms and decisions making arrangements. He stated that whilst this was a complex landscape he reassured Members that non were acting beyond their legal power or authority. He stated that he was confident that this could be resolved and added that all partners were committed to this.

The Member further commented that KPIs needed to be agreed and monitored for the Manchester Local Care Organisation so that the benefits to residents could be monitored and assessed. The Deputy Chief Executive and City Treasurer reported that KPIs needed to be appropriate and she stated the clear line of accountability rested with the Executive Director, Adult Social Services and her Deputy. She added that the benefits of the MLCO and the Integrated Neighbourhood Teams were beginning to be realised by preventing people going into hospital unnecessarily and moving people safely out of acute hospital care into a community setting.

A Member requested that further to the report that had been considered by the Committee at their October meeting she still had concerns in relation to Adult Social Care and recommended that a further report on all of the outstanding recommendations identified by Internal Audit for Adult Services be submitted for consideration at a future meeting. The Member also stated that the Executive Member for Adult Health and Wellbeing and the Executive Director, Adult Social Services should be in attendance.

A Member enquired what were the arrangements for the incidents reported where management did not agree with an internal audit assessment. The Head of Internal Audit and Risk Management informed the Committee that this was flexible and could be negotiated as long as Internal Audit were satisfied that appropriate actions were taken to address any identified risk.

In response to the Corporate Services, Integrated Commissioning and Procurement information provided a Member requested that further details on all low value contracts and associated timescales be provided. The Head of Internal Audit and Risk Management stated that he would circulate information on these outside of the meeting.

Decisions

The Committee recommend:

1. To receive a report on the all the outstanding recommendations identified by Internal Audit for Adult Services be submitted for consideration at a future meeting and that the Executive Member for Adult Health and Wellbeing and the Executive Director, Adult Social Services be in attendance.
2. To receive an update report on the Management Oversight and Supervision – Children’s Services be submitted for consideration at a future meeting and that the

Deputy Director Children's Services and the Executive Member for Children and Schools be in attendance.

3. That the Head of Internal Audit and Risk Management circulate information on the value of contracts referenced within the Integrated Commissioning and Procurement information.

4. To confirm the proposed changes to the Internal Audit Plan 2019/20, subject to the comments from the Committee above.

AC/19/52 Outstanding Audit Recommendations

The Committee considered the report of the Deputy Chief Executive and City Treasurer and the Head of Internal Audit and Risk Management that provided the details of progress to address outstanding recommendations in the High Priority categories.

The Head of Internal Audit and Risk Management reported to the Committee that the recommendations relating to Children Missing from Home had been completed. Members welcomed this.

Members noted that the Transition to Adults recommendations remained outstanding and noted that this was a longstanding issue. A Member commented that it was important to recognise the importance of this and the impact this had on citizens of Manchester. The Head of Internal Audit and Risk Management responded by stating that this was a complex area of activity, involving a number of services. He stated that the Executive Director Adult Social Services was seeking to deliver a holistic approach and that transitions was an area of high priority in the Adults Improvement Plan. He recommended that a further update on this specific activity is reported to the Committee at an appropriate time. Members endorsed this recommendation.

In response to a comment from a Member regarding Disability Supported Accommodation Services, the Head of Internal Audit and Risk Management stated that the issue of capacity did present a challenge. He stated that the outstanding recommendations had been escalated to the relevant Strategic Lead and Executive Member. He recommended that a further update on this specific activity is reported to the Committee at an appropriate time. Members endorsed this recommendation.

The City Solicitor addressed the Committee in regard to Purchase Cards. She reported that the guidance in respect of purchase cards had been provided, and the intention was to appropriately embed these into both the Members and Employees Code of Conduct. She said that this would be done in consultation with both Human Resources and Trade Unions and it was anticipated that this would be completed by July 2020. She advised that the Codes of Conduct would be reported to Standards Committee for consideration and comment.

Decisions

The Committee recommend:

1. To note the report.
2. That a report on the overdue recommendations in relation to the Transition to Adults be submitted for consideration at an appropriate time, and all relevant Strategic Leads and Executive Members be in attendance.
2. That a report on the overdue recommendations in relation to Disability Supported Accommodation Services be submitted for consideration at an appropriate time, and all relevant Strategic Leads and Executive Members be in attendance.

[Councillor Lanchbury declared a personnel and non-prejudicial interest as she is a Reg 44 visitor (an Independent Person who visits a children's residential home on a monthly basis.)]

AC/19/53 Annual Governance Statement Update

The Committee considered the report of the Deputy Chief Executive and City Treasurer that set out a brief summary of the progress that had been made to date in implementing the governance recommendations from the 2018/19 Annual Governance Statement (AGS). It also outlined the next steps in the process of producing the Annual Governance Statement 2019/20.

A Member noted the information provided that described that the Chief Executive of Liverpool City Council, had been appointed as the North West regional coordinator for Brexit preparations and reporting, and enquired when had that happened. The Deputy Chief Executive and City Treasurer stated that she would confirm the date and circulate this information to the Committee.

A Member noted the information provided in relation to Cyber Security and enquired if this was to be available to Members. She requested that if it was not then this training be extended to Members and information be shared with the Members Development Working Group.

A Member commented on the reported 10% increase in managers completing Return To Work information promptly when compared to the same reporting period last year, stating that this was to be welcomed.

In regard to the information provided against Action Point 3, Members noted their discussion when considering the previous agenda item, AC/19/51 and recommended that Officers take the concerns and views of the reporting of Adult Services into consideration. The Director of Policy, Performance and Reform stated that comments of Members had been noted.

In response to a question from a Member regarding ethnic diversity in senior management roles, the Director of Policy, Performance and Reform stated that consideration would be given as to how this information, and wider equalities data could be reported within these reports to the Committee.

Decision

To note the report.

AC/19/54 Governance Improvement Progress for Partnerships with Low or Medium Strength of Governance Assessment Ratings

The Committee considered the report of the Deputy Chief Executive and City Treasurer that provided an update on progress made to strengthen governance arrangements in the sixteen partnerships where a 'Low' or 'Medium' Partnership Strength of Governance rating was recorded in the 2018 Register of Significant Partnerships, as requested by the committee in February 2019.

In response to a question from a Member the Director of Policy, Performance and Reform stated that substantive report on the Register of Significant Partnerships would be submitted to the February 2020 meeting for consideration, adding that the register was a live document and could be reviewed throughout the year.

In regard to the Hulme High Street entry, the Performance and Intelligence Officer reported that the Council had now commenced the process of acquiring the shares in Hulme High Street Ltd currently held by AMEC/Muse. The result being that the Council would become the sole shareholder of the company hence no longer a joint venture or partnership. The Council's legal team continued to prioritise this area of work; in the interim the partnership remained as 'Low' governance strength. Members welcomed this update.

In response to the governance arrangements of the Northern Gateway, Members were informed that any changes to the business plan would need to be agreed by the Executive.

Members welcomed the reported establishment of the Manchester Safeguarding Partnership (MSP) that had replaced the Manchester Safeguarding Children's Board, which consisted of the Manchester Safeguarding Children Board and Manchester Safeguarding Adults Board. The new MSP had been established in response to new legislative guidance that required all local areas to publish their new multi-agency safeguarding arrangements for children by 29 June 2019.

A Member commented that consideration needed to be given to all Tenant Management Organisations, not just the two that were referenced within the report when reporting the relationships between the Council and TMOs.

In response to a specific question regarding the Brunswick PFI the Deputy Chief Executive and City Treasurer informed Members that all such schemes were monitored. The Head of Internal Audit and Risk Management suggested that the Committee may wish to consider a specific report on this activity when reviewing their Work Programme.

Decision

To note the report.

AC/19/55 External Audit Progress Report and Update – Oral Report

The Committee heard from Stephen Nixon, Mazars the Council's External Auditors. He advised Members that work was progressing and the detailed plan would be submitted to the Committee in the new year.

Decision

To note the oral report.

AC/19/56 The Committee's Work Programme

A Member recommended that both the Children's and Adults Directorates be included in the Risk Review Item scheduled for consideration at the December meeting, with all relevant Strategic Leads and Executive Members in attendance.

Decision

To approve the Work Programme subject to the above amendment.

AC/19/57 Exclusion of the Public

Decision

To exclude the public during consideration of the following items which involved consideration of exempt information relating to the financial or business affairs of particular persons and public interest in maintaining the exemption outweighs the public interest in disclosing the information

AC/19/58 Oral report on Cyber Security Audit Findings (Public Excluded)

The Committee received an oral report from the Head of Internal Audit and Risk Management that provided Members with an update cyber security audit findings.

The Head of Internal Audit and Risk Management then responded to questions from Members.

Decision

To note the oral report.

Audit Committee Progress Report December 2019

Manchester City Council
Year ending 31 March 2020





CONTENTS

Audit Progress

Appendix A – National Publications

This document is to be regarded as confidential to Manchester City Council. It has been prepared for the sole use of the Audit Committee. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

AUDIT PROGRESS

Purpose of this report

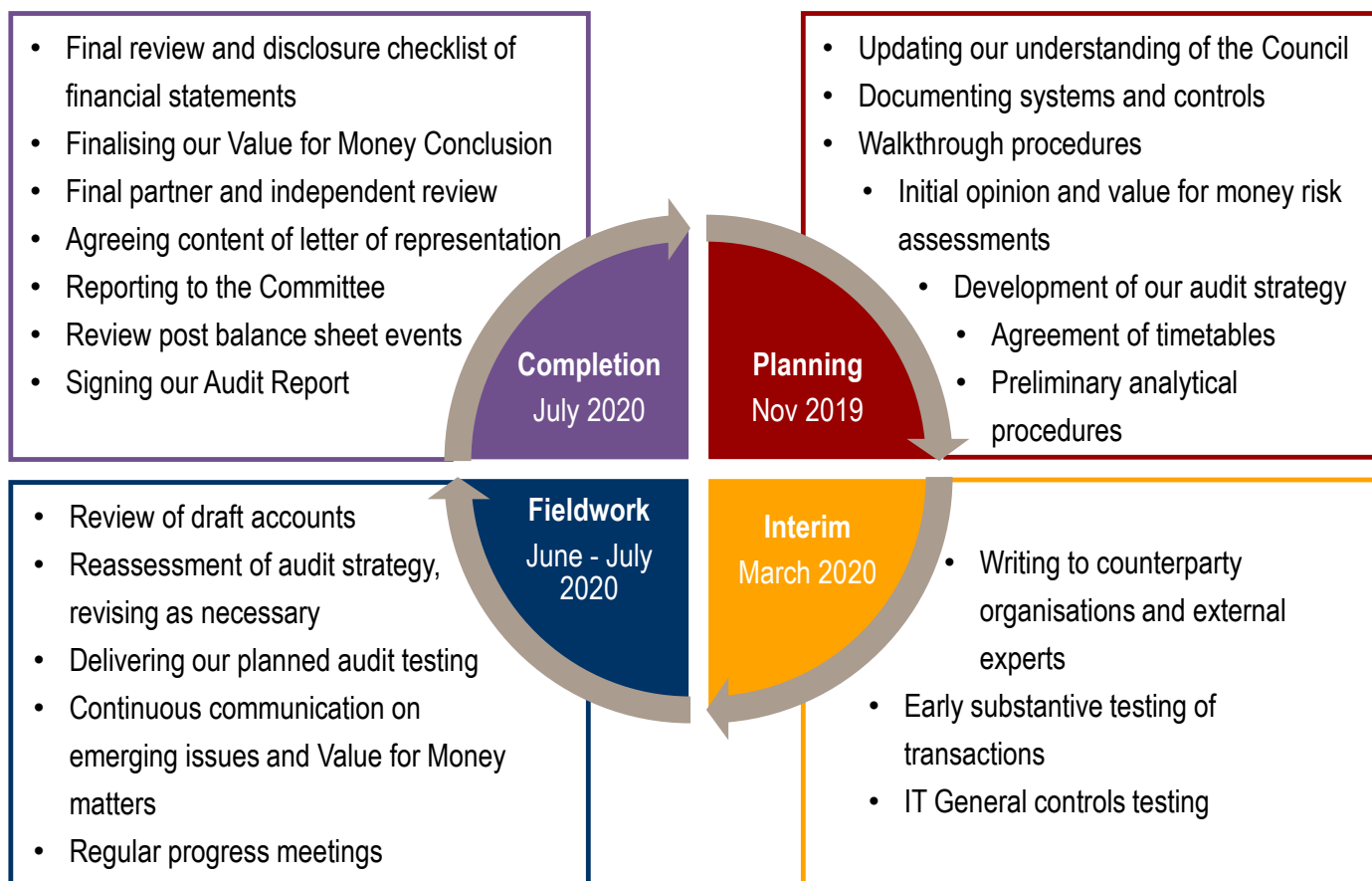
This report provides the Audit Committee with an update on progress in delivering our responsibilities as your external auditor.

This paper also seeks to highlight at Appendix A key emerging national issues and developments which may be of interest to Members of the Committee.

If you require any additional information regarding the issues included within this briefing, please contact any member of your engagement team.

Audit progress 2019/20

Our provisional timetable of work is set out in the diagram below. On completion of the planning and risk assessment work we will bring our Audit Strategy Memorandum to the Audit Committee on 14 January 2020 for consideration. Our risk assessment process will continue throughout the year.



AUDIT PROGRESS

Audit progress 2019/20 (continued)

Since the last Audit Committee we have completed the majority of work set out in the planning stage and commenced early substantive testing of transactions. Detail of the work performed during November is set out below:

- Updating of our understanding of the core financial systems at the Council and walkthrough of the following financial systems:
 - Payroll
 - Operating expenditure
 - NNDR income
 - Council tax income
 - Other income
 - Housing rental income
 - Land and buildings accounting
 - Treasury processes
 - Journal transaction processing
- Early substantive testing in the following areas:
 - Payroll (months 1 to 6)
 - Expenditure (months 1 to 5)
 - Income (months 1 to 6)
 - Capital expenditure (months 1 to 5)

Our work is on track, and there are no significant matters arising from our work that we are required to report to you at this stage. Our detailed Audit Strategy Memorandum will be presented to the Audit Committee in early 2020.

2. NATIONAL PUBLICATIONS

This section includes, for the Committee's information, summaries of recent technical and other sector publications which we believe are relevant to your broader responsibilities. The reports covered in this appendix, and the key messages, are:

	Publication/update	Key points
Chartered Institute of Public Finance and Accountancy (CIPFA)		
1.	CIPFA launches new Financial Management Code	The new Code is the first from the Institute in almost 15 years, and brings together many areas of local government financial management into one place.
Local Government Association (LGA)		
2.	A Councillor's guide to Digital Connectivity	Explores the main issues and challenges facing local areas and guidance from experienced councillors who have already undertaken work to get their communities better connected. It also provides a brief overview of Government policy and a glossary of widely used terms.
3.	A Councillor's guide to Procurement	Includes a toolkit that enables councils to set their own objectives and measure their own progress.

2. NATIONAL PUBLICATIONS - CIPFA

1. CIPFA launches new Financial Management Code, October 2019

CIPFA has launched its Financial Management (FM) Code, to drive improvement in financial management for councils across the United Kingdom.

The new Code is the first from the Institute in almost 15 years, and brings together many areas of local government financial management into one place. It follows extensive engagement with senior leaders in public finance from across the country.

The FM Code is based on a set of standards and principles, including organisational leadership, transparency, assurance and sustainability. Its aim is to place financial management at the heart of policy and decision making in local government.

Although the FM Code comes into effect from April 2020, in recognition of the pressures facing local authorities, 2021/22 will be the first full compliance year for the Code. This allows authorities a shadow year to work towards full implementation.

CIPFA will be providing support and guidance over the next 12 months to aid this process.

<https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/cipfa-launches-new-financial-management-code>

2. NATIONAL PUBLICATIONS – LOCAL GOVERNMENT ASSOCIATION

2. A Councillor's guide to Digital Connectivity , October 2019

This guide is structured to provide councillors with key information on digital connectivity. It explores the main issues and challenges facing our local areas and includes hints, tips and case studies from experienced councillors who have already undertaken work to get their communities better connected. It also provides a brief overview of Government policy and a glossary of widely used terms. Finally, it sets out the vital role councillors can play in this area by:

- educating residents, voluntary and third-sector groups and businesses on the benefits of faster, more reliable connectivity
- bringing communities together to advocate for improved digital connectivity by applying for grants or aggregating their demand to persuade telecommunications providers to build the necessary infrastructure on their road
- helping residents consider where it is most appropriate to build new digital infrastructure, such as a phone mast, to improve residents' and businesses' connectivity whilst conserving local landscapes
- working in partnership with council portfolio holders, officers and other local stakeholders to consider the role your council can play in helping to improve communities' digital connectivity.

<https://www.local.gov.uk/councillors-guide-digital-connectivity-0>

3. A Councillor's guide to Procurement, October 2019

The LGA worked closely with councils to develop the National Procurement Strategy 2018 and a toolkit that enables councils to set their own objectives and measure their own progress. The National Procurement Strategy puts the councillor role front and centre and this guide has been produced specifically with councillors in mind. It looks at the roles councillor's play – both executive members and those engaged in overview and scrutiny work – and provides hints and tips on how to get the best out of procurement and contract management. Just as in the national strategy the focus is on delivering the council's objectives. Councillors do not need to be procurement professionals. But they do need to be able to ask the right questions and that is where this guide comes in.

<https://www.local.gov.uk/councillors-guide-procurement-2019-edition>

CONTACTS

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**Manchester City Council
Report for Resolution**

Report to: Audit Committee – 10 December 2019
Subject: Draft Code of Corporate Governance
Report of: Deputy Chief Executive and City Treasurer

Summary

This report proposes a revised draft Code of Corporate Governance which is in accordance with published guidance. Compliance with this Code will be monitored on an annual basis through the Council's Annual Governance Statement.

Recommendations

Audit Committee is invited to comment on the Council's draft governance standards set out in the draft Code of Corporate Governance.

To recommend to Council that this revised Code be incorporated into the Council's Constitution.

Wards Affected: All

Contact Officers:

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1. Introduction and Context

- 1.1 The Accounts and Audit Regulations 2015 require local authorities to conduct at least annually a review of the effectiveness of their governance framework including their systems of internal control. This review must be documented in an Annual Governance Statement (AGS) and published as part of the Council's Annual Accounts. The Statement must be prepared in accordance with proper practices, including those set out in CIPFA and IFAC's¹ *"Delivering Good Governance in Local Government: Framework (2016)"*.
- 1.2 The Framework has applied to Annual Governance Statements prepared for the financial year 2016/17 onwards. The AGS involves an assessment of the extent to which the Council has adhered to the governance standards set out in its Code of Corporate Governance (the Code).
- 1.3 In 2016 the Council's Code was fully updated in accordance with the revised Framework. Alongside the CIPFA principles, the vision and values of the organisation – the Our Manchester principles - are at the heart of the Council's approach to governance. Our Manchester was therefore also integral to the way the standards in the Code were defined when it was reviewed.
- 1.4 It is necessary to keep the Code under review to ensure the contents remain accurate, up to date, and that they reflect all applicable relevant legislation. While substantial changes have not been necessary for this subsequent update of the document, some minor amendments are required. Changes include;
- The role title has been updated for the Deputy Chief Executive and City Treasurer, to reflect recent changes to the Council's senior management structure.
 - Wording has been amended to reflect changes to the remits of both the Audit and the Standards Committees regarding the Council's Whistleblowing procedures.
 - Hyperlinks have been updated in the electronic copy of the Code document, so that out of date web page links have been replaced where necessary.
 - Wording has been added to reference the Council's 'Our Corporate Plan' which was launched in November 2018, and which sets out the Council's priorities for the next three years.
 - The establishment of science-based carbon reduction targets for Manchester which require the city to become net zero carbon by 2038, and the motion asking the Council to formally declare a 'climate emergency' which was unanimously agreed in July 2019.
- 1.5 The Code sets out the governance standards for the Council but deliberately does not include details of how these standards will be achieved. This will be described in the next Annual Governance Statement which will set out

¹ CIPFA is the Chartered Institute of Public Finance and Accountancy. IFAC is the International Federation of Accountants.

evidence of compliance for each different aspect of the Code. Audit Committee is invited to review the draft Code and comment on the extent to which it feels the governance standards described are the right ones for the Council.

- 1.6 The Council's Constitution notes the role of Audit Committee in considering revisions to the Code. The Code itself details the responsibility for approving the Council's annual accounts and responding to the External Auditor's Annual Audit Letter. It also oversees the effectiveness of the Council's governance and risk management arrangements, the internal control environment, associated anti-fraud and anti-corruption arrangements and the Whistleblowing policy.
- 1.7 The Code was submitted to Standards Committee on 31 October 2019, where the Chair welcomed the Code, commenting that it *"was a very accessible and informative document"*. The decision was: *"To note the Council's draft governance standards as set out in the draft Code of Corporate Governance."* In response to a comment from the Chair regarding referencing within the Code all key identity groups with whom the Council engaged, additional wording has been drafted and added in respect of this in consultation with the Equalities Team. This is included under **Principle 'B': "Ensuring openness and comprehensive stakeholder engagement"**, in the sub-section *"Engaging with Individual Citizens and Service Users Effectively"*.

2. Next Steps

- 2.1 The Code forms part of the Council's Constitution, and will therefore be submitted to Council for proposed adoption and inclusion within a revised Constitution at its meeting on 29 January 2020.

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SECTION G

MANCHESTER CITY COUNCIL

CODE OF CORPORATE GOVERNANCE

Introduction

The Code of Corporate Governance sets out the Council’s governance standards. These standards ensure the Council is doing the right things, in the right way in a timely, inclusive, open, effective, honest and accountable manner. The Code is based upon the following principles



These principles are taken from the ‘International Framework: Good Governance in the Public Sector’ produced by CIPFA/IFAC¹. The Framework is based on the principles in the inner circle permeating and being evident throughout the application of the principles in the outer circle. The diagram also illustrates that good governance is dynamic and involves continuous evaluation and review.

The International Framework describes governance as follows:

“Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.”

¹ CIPFA is the Chartered Institute of Public Finance and Accountancy. IFAC is the International Federation of Accountants.

The Council is committed to ensuring its approach to good governance can easily be understood by all. The Council and the Manchester Youth Council worked together to produce the following summary of the Council's commitment to good governance:

1. **We will** clearly set out our objectives and what we are trying to achieve.
2. **We will** measure how effective our services are and take action to improve them. We will publish information showing how we are progressing towards our objectives.
3. **We will** work with other public services, such as the Police and NHS, to improve services for Manchester residents.
4. **We will** ensure we make the best use of taxpayers' money by taking prudent financial decisions and measuring the level of value for money we achieve.
5. **We will** set out in our Constitution who can take which decisions.
6. **We will** behave in ways that reflect our values and high standards of conduct.
7. **We will** ensure people in the Council making decisions have access to accurate information to help them take decisions in the best interests of Manchester people.
8. **We will** record and publish the decisions we take and the reasons for them. Wherever possible, we will take the most important decisions in public.
9. **We will** carry out scrutiny of our services to make sure they meet our residents' needs.
10. **We will** be sensitive about how we collect and record information about citizens of Manchester and safeguard it from misuse.

Principles of Governance in the Greater Manchester Combined Authority

This Code of Corporate Governance describes the governance standards in place for Manchester City Council. The [Greater Manchester Combined Authority](#) (GMCA) reviews its own Code of Corporate Governance regularly. Its Code incorporates the governance arrangements needed as it took on responsibilities for further new functions subsequent to the original Devolution arrangements. The GMCA's most recent powers which relate to the functions of the former Waste Disposal Authority came into force on the 1st April 2018 and follow the mayoral powers of 2017/18. GMCA's Code is published on its website as part of its [Constitution](#).

Manchester City Council, along with the other nine local authority members of the Greater Manchester Combined Authority, has signed an [Operating Agreement](#) with the GMCA setting out their intention to co-operate with each other in the exercise of their functions and in particular their transport, economic development and regeneration functions, and the basis on which this will be done.

The Council's Corporate Governance Principles

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Behaving with Integrity

The Council fosters a culture of behaviour based on shared values, ethical principles and good conduct that is put into practice by members and officers alike.

The Council's approach ('Our Manchester') includes four central principles that underpin everything the Council does, including how it works with partners, how it makes decisions and how it serves local communities;

- **Better lives** – it's about people
- **Listening** – we listen, learn and respond
- **Recognising strengths of individuals and communities** – we start from strengths
- **Working together** – we build relationships and create conversations

The Our Manchester approach puts people at the centre, recognising that people are more important than processes, procedures or organisational boundaries.

The leadership of the Council embodies these values and creates a climate of openness, support and respect that covers the whole organisation. It establishes, monitors and maintains the organisation's ethical standards and performance.

The ['Our People'](#) Strategy articulates what the expectations of the Council's workforce are, in order to make Our Manchester a reality. This identifies four core behaviours which are central to working in an Our Manchester way;

- We work together and trust each other
- We're proud and passionate about Manchester
- We take time to listen and understand
- We 'own it' and we're not afraid to try new things

The Council is committed to maintaining its values and integrity and operates a Whistleblowing Policy to ensure that individuals who draw attention to factors that compromise the Council's integrity are adequately protected and supported in doing so.

Demonstrating Strong Commitment to Ethical Values

The Council operates a voluntary [Standards Committee](#), composed of elected Members and independent co-opted members, with responsibility for promoting and maintaining high standards of conduct by Members, assisting Members to observe the Member Code of Conduct, and monitoring the Member/Officer Protocol.

The leadership of the Council puts in place robust policies and procedures which put its values into practice, these include:

- A [Member Code of Conduct](#) and arrangements for determining allegations that a Member has acted in breach of the Council's Member Code of Conduct, as required by the Localism Act 2011.
- An [Employee Code of Conduct](#) which makes it clear what standards are expected from staff across the organisation in the performance of their duties.
- A Member / Officer Relations Protocols providing guidance on how the working relationships between Members and officers should be conducted.
- Use of Council resources guidance for members which clarifies how Council resources should be used and how to avoid the inappropriate use of resources.
- A Register of Members Interests in which Members' disclosable pecuniary interests, personal interests and prejudicial interests (as defined in the Member Code of Conduct) are registered. This includes gifts and hospitality received by elected Members. Each Member's individual entry can accessed via the '[Your Councillors](#)' webpage.
- Senior officers are responsible for recording gifts and hospitality which they have received.
- Registers of interests declared by officers in relation to Council contracts.
- Systems for reporting and dealing with any incidents of wrongdoing including fraud, corruption, bribery and money laundering.

The Council insists its commitment to its values and integrity is shared by external suppliers delivering services on its behalf as stated in its approach to [Ethical Procurement](#) policy.

Respecting the Rule of Law

The Council appoints a Monitoring Officer (the City Solicitor) who is a member of the Strategic Management Team (SMT). The Monitoring Officer ensures that decisions are taken in a lawful and fair way and agreed procedures are followed and that all applicable statutes, regulations and procedure rules are complied with.

The Council uses its legal powers, including the '[general power of competence](#)' to promote its values and priorities to the full benefit of the citizens and communities in Manchester. The Council will have full regard to the extent of its powers and not act beyond them, and will observe specific requirements in legislation as well as general responsibilities of public law.

The Council's decision making process will adhere to the principles of good administrative law, respect human rights and demonstrate rationality, legality and natural justice.

The Council puts in place measures to address breaches of its legal and regulatory powers. The Council's Monitoring Officer (the City Solicitor) has statutory reporting duties in respect of unlawful decision making and maladministration. Similarly, the

Chief Finance Officer (the Deputy Chief Executive and City Treasurer) has statutory reporting duties in respect of unlawful and financially imprudent decision making. These duties are detailed at, respectively, Article 12.3(b) and Article 12.4(a) of the Council's Constitution.

The Council appoints Statutory Officers that have the skills, resources and support necessary to perform effectively in their roles. These statutory officers include:

- Head of the Paid Service (Chief Executive)
- Monitoring Officer (City Solicitor)
- Chief Finance Officer (Deputy Chief Executive and City Treasurer)
- Director of Children's Services
- Director of Adult Social Services
- Director of Public Health
- Deputy Chief Finance Officer (Deputy City Treasurer)
- Deputy Monitoring Officer (Deputy City Solicitor)
- Scrutiny Officer (Governance and Scrutiny Support Unit Manager)

The Council supports these statutory officers as well as other key post holders and elected members to fulfil their responsibilities within legislative and regulatory requirements.

B. Ensuring openness and comprehensive stakeholder engagement

Openness

The Council sets out in this Code, its Constitution and in its Annual Governance Statement its commitment to openness.

Decisions taken by Council (in this case referring to the meeting of Council attended by all Councillors), as well as those taken by Committees or by the Executive are [recorded](#) (alongside the reasons and the evidence considered) and, subject to limited exemptions, made in public and information relating to those decisions is made available to the public. This includes access through [live webcasts](#) of Council and Committee meetings which remain online for six months.

The Council ensures that its most significant executive decisions (defined as [key decisions](#)) are recorded and, subject to limited exemptions, information relating to the reasons and evidence considered is made available to the public. The Council publishes notification of its intention to take key decisions through [the Register of Key Decisions](#).

The Council holds its Council and Committee meetings, and meetings of the Executive, in public with the agenda and public reports and minutes available on the Council website. However, certain exclusions apply where there is a need to protect confidential information or where certain categories of exempt information are being considered. The Council allows for people to make comments live through social media. Its approach in this area is consistent with the requirements of Part 5A of the Local Government Act 1972 and of the [Local Authorities \(Executive Arrangements\) \(Meetings and Access to Information\) \(England\) Regulations 2012](#).

The Council informs, consults and involves [residents or representatives of residents in significant decisions](#) and their views are submitted to those making decisions for consideration.

Engaging Comprehensively with Institutional Stakeholders

The Council develops and maintains relationships with leaders of other organisations across the private, public and voluntary sector contributing to the vision for the city, including through the [Our Manchester Forum](#). Members of the Forum apply their experience and expertise in key partnerships at either Manchester or Greater Manchester level to benefit the city and actively drive forward the city's priorities as set out in the Our Manchester Strategy.

The Council maintains a [Partnership Governance Framework](#) that defines and standardises its approach to managing its partnerships, in order to help strengthen accountability, manage risk and ensure consistent good practice across its partnerships. This helps ensure the purpose, objectives and intended outcomes for each are clear.

In support of its application of the framework, the Council maintains a [Register of Significant Partnerships](#) listing all the Council's key partnership arrangements and assessing the strength of their governance arrangements. The Council will ensure Members and Officers are clear about their roles and responsibilities, both individually and collectively, in relation to the partnerships they are involved in and to the authority.

Engaging with Individual Citizens and Service Users Effectively

The Council strongly believes that consultation, co-design and co-delivery of services is the best way to deliver services that work for Manchester residents. The Council consults communities, individuals, service users and other stakeholders whenever there is a legal duty to do so, such as in setting the budget, or there is a reasonable expectation that it will, such as where it has consulted on similar matters in the recent past, or where the views of the public and service users will be valuable in informing decisions or the future service delivery model. The Council also talks with residents regularly on a wide variety of issues and topics.

As part of its Our Manchester approach the Council focuses on the strengths and potential in people and places, rather than their challenges. This means we listen to what people can do, want to do and what matters to them, not what's the matter with them.

The Council informs, consults and involves residents of Manchester on issues of interest to them, including through the [Council's online consultation portal](#), and maintaining effective channels for dialogue and debate, including live streaming of Council and Committee meetings and a wide mix of social media. This includes Facebook, Twitter, Vimeo, Youtube, Instagram and LinkedIn.

When conducting consultations the Council strives to balance the feedback it receives from more active stakeholders with that from less active stakeholders through monitoring responses by age, gender, location, ethnicity, sexuality and other factors and delivering targeted promotion where required to ensure that the sample of respondents is representative of the city as a whole.

The Council adopts a "You Said ... We Did" approach to consultation and promotes material advising the public and other stakeholders of the key findings from consultations and how they have been taken into account.

The Council has an online survey for Manchester residents so that it can access an up-to-date summary of the views of citizens on the city, their neighbourhood and the delivery of public services.

The Council is committed to considering and acting upon feedback from citizens and service users and so maintains effective [complaints and compliments handling](#) and monitoring procedures, so that it can identify where improvements in service delivery are needed and learn effectively from the complaints it has received.

The Council takes account of the impact of decisions on future generations of tax payers and service users, its commitment to doing so is matched by the commitment

of the members of its Youth Council, which acts to ensure young people have a stronger voice enabling them to make their views heard and to be involved in decision making in the city. The Council also uses relevant communication channels that younger people are more likely to engage with.

The Council is committed to the Age-Friendly Manchester partnership, involving organisations, groups and individuals and which has helped to create a city that's recognised by the World Health Organization as a great city to grow older in. The Age-Friendly Manchester Older People's Board includes and represents older people, addressing issues affecting the quality of life for older residents and their communities across Manchester. The Council works jointly with older people and health services to develop age-friendly neighbourhoods.

The Council is committed to proactively engaging with the city's diverse communities and identity groups to inform the development and undertaking of its functions. The Council commits to utilising a range of approaches and tools to achieve this, including but not limited to community engagement, formal consultation, along with co-design and co-production approaches. The Council recognises the distinction between engaging communities of geography (a finite number of residents within individual neighbourhoods) and communities of identity (identity groups such as disabled people, older people and LGBT people which are widely dispersed across Manchester and not geographically clustered). The Council is committed to using the most applicable approaches in each situation to engage those people who are most likely to be affected by the organisation's functions.

The Council utilizes its relationships with Voluntary, Community and Social Enterprise (VCSE) organisations to assist in effective engagement with Manchester's diverse communities by characteristic.

The Council as an organisation, and the elected Members that make it up, share a common understanding of their respective roles regarding community engagement and work together to ensure the organisation understands and can effectively respond to local issues and concerns, through mechanisms such as ward co-ordination.

C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

Defining Outcomes

The [Our Manchester Forum](#), following an extensive public consultation in 2015, developed a 10 year strategy for the city – the [Our Manchester Strategy](#) as well as a new approach to delivering functions – the Our Manchester approach. The Our Manchester Strategy sets out a vision of Manchester as:

- A Thriving and Sustainable City
- A Highly Skilled City
- A Progressive and Equitable City
- A Liveable and Low Carbon City
- A Connected City

Progress towards the vision described in the strategy is being monitored through the Forum's annual [State of the City](#) publication which comprises and analyses key performance indicators.

'Our Corporate Plan' was launched in November 2018, which sets out the Council's priorities for the next three years. These priorities describe the most important activities that constitute the Council's contribution to delivering the Our Manchester Strategy. This plan supports staff to understand the connection between the work they do every day, and the bigger vision for the city.

The Our Manchester Strategy sits at the heart of the Council's [budget and business planning process](#). Through this process the Council allocates resources to progress towards the vision for the city in the most effective and efficient way. The Council sets a [Medium-Term Financial Strategy](#) which sets out the financial assumptions and provides a set of goals for financial decision making for the planning period ahead. The Council is committed to consulting the people of Manchester and local businesses in the design of its budget proposals to understand service user's expectations and to inform service users of financial limitations.

It also sets objectives for each directorate as well as the performance monitoring framework that will be followed to track progress towards these objectives from the perspectives of finance, performance, workforce development, equality and risk.

The Council is committed to regularly reviewing its reporting methods, to ensure that they remain as efficient and effective as possible. Concise and timely integrated reporting compiles workforce, performance, and budget monitoring, leading to a single view of success and challenges based on multiple information sources. The development of this reporting has supported leaders in the organisation to respond rapidly to dips in performance or budget pressures. This method which is at the heart of the Council's management systems has helped to strengthen governance of service delivery.

The city's role in delivering Our Manchester will provide a key element of support for the linked objectives of the Greater Manchester Combined Authority (GMCA), as set out in the Strategy launched in October 2017; ["The Greater Manchester Strategy – Our People, Our Place"](#).

Sustainable Economic, Social and Environmental Benefits

The Council is committed to considering the full combined economic, social and environmental implications of its decisions through thorough data analysis and consultation with affected parties so that its decisions advance the achievement of the city's vision. The Our Manchester Strategy is an integral part of the Council's decision making process. The Council will set out in reports recommending a decision, the impact the decision will have on the five broad objectives in the Our Manchester Strategy.

The Council provides political leadership on its equality, diversity and inclusion (EDI) priorities, with the Executive Member for Neighbourhoods supported by Lead Equality Members representing key identity groups in the city. At officer level leadership is provided by the Chief Executive and the City Solicitor in their capacity as SMT leads on EDI. The Council maintains strong governance arrangements around its EDI activities and performance, reporting to Members, senior officers including the Equality Champions Group, and the Communities and Equalities Scrutiny Committee. EDI governance is further supported by the Council's EDI Policy, its Equality Impact Assessment framework, and its Equality Objectives. The Council's approach to progressing EDI for its workforce is informed by its EDI Employee Network groups and the represented Trade Unions. The Council is committed to working with partners across the public and voluntary, community and social enterprise sectors, and to undertaking regular internal and independent reviews of its EDI performance, to ensure continual improvement in this area.

In November 2018, the Council's Executive agreed to the establishment of science-based carbon reduction targets for Manchester which require the city to become net zero carbon by 2038, which is an acceleration of the target for becoming a zero-carbon city by 12 years. A motion asking the Council to formally declare a 'climate emergency' was unanimously agreed in July 2019. The motion declared that climate change is a serious risk to Manchester's future, and committed to embedding the issue as an integral part of Council decision-making - making sure that all key decisions are taken with the city's target of becoming zero-carbon by 2038 in mind.

Manchester's vision for developing a more inclusive economy that all residents can participate in and benefit from is set out in ["Developing a More Inclusive Economy – Our Manchester Industrial Strategy"](#).

The Council acknowledges that alongside the strengths and assets of the city and its residents, challenges such as poverty, deprivation, low skills and unemployment still exist, and can be concentrated in certain areas in the city. By a combination of co-design of strategy with input from partners and residents, backed by evidence based on research and intelligence, it endeavours to enact policy which will lead to progress towards the aim of a becoming a more progressive and equitable city.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Determining Interventions

Decision makers receive accurate, relevant and timely performance information and intelligence to support them with objective and rigorous analysis of options, covering intended outcomes, financial impact and associated risks informing efficient service delivery.

The Council is committed to seeking continuous feedback from citizens and service users both in planning service changes and improvements whether through its online resident's survey, consultation or bespoke feedback gathering.

Delegation of decision making to officers is detailed in the Constitution so that they can deal with the day-to-day running of services without the need to constantly refer matters back to Elected Members. Details of what decisions are taken in this way are included in the Scheme of Delegation in the council's Constitution. Further specific delegations may be granted through recommendation in public reports to Committees.

Planning Interventions

The Council plans its activity at a strategic level through its budget and business planning cycle and does so in consultation with internal and external stakeholders to ensure services delivered across different parts of the organisations and partners complement each other and avoid duplication.

This is facilitated through the Manchester Partnership which comprises Thematic Partnerships supporting delivery agencies across the city to co-ordinate their activity and consider how they can collaborate to reduce risks to achieving their outcomes. The Thematic Partnerships include:

- [Children's Board](#)
- [Community Safety Partnership Performance Board](#)
- [The Health and Wellbeing Board](#)
- [The Neighbourhoods Board](#)
- [Work and Skills Board](#).

The effectiveness of the Council's interventions and the quality of its services is monitored through the provision of regular performance reports showing progress towards goals and targets set in the budget and business plan.

Optimising Achievement of Intended Outcomes

The Council is committed to integrating and balancing service priorities, affordability and other resource constraints supporting it to take into account the full cost of operations over the medium and longer term. This is documented in the [Medium Term Financial Strategy](#) (MTFS) which sets the context for the Council on significant ongoing financial challenges as well as external changes, such as changes to local

government funding arrangements that are planned or forecast to arise during the planning period. The MTFS is updated annually in line with the latest Finance Settlement for the Council.

Our Manchester requires an integrated approach to the deployment of revenue and capital spend against a clear set of priorities. Therefore the Council's five-year [Capital Strategy](#) forms a critical part of strategic and financial planning.

The Council procures goods and services in compliance with EU, UK and Council regulations and ensure that value for money is obtained through a balanced consideration of social, economic and environmental impacts that can be derived from procurement spend.

The Council considers [Social Value](#) at pre tender and tender stage to ensure that appropriate desirable outcomes can be offered by suppliers in their tender submissions. Through this process the Council considers how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and how, in conducting the process of procurement, it might act with a view to securing that improvement.

E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Developing the Organisation’s Capacity

The Council monitors on an ongoing basis its governance and staffing structures to support the delivery of planned services and proactively plans for the future. Through its budget process, the Council ensures services are prioritised so that resources are directed to those activities that will make the greatest contribution to the city’s vision.

The Council continually seeks better outcomes from its use of resources by comparing information about functions, expenditure and performance with those of similar organisations and assesses why levels of economy, efficiency and effectiveness are different elsewhere. It acts upon the findings of this intelligence as part of its budget and business planning to ensure continual effectiveness of service delivery.

Where intelligence suggests alternative delivery methods, such as the establishments of partnerships or other types of collaborative working with other organisations, will lead to improved value for money these are explored.

In line with its Our People Strategy, the Council develops and delivers workforce plans which set out actions to ensure the workforce has the necessary skills and behaviours to deliver the vision for the city and are effectively engaged to act as champions for the Council’s priorities and approaches.

Developing the Capability of the Organisation’s Leadership and Other Individuals

The Council Leader and Chief Executive have clearly defined roles and maintain a shared understanding of roles and objectives. The Chief Executive leads in implementing strategy and managing service delivery and other outputs set by members. The Chief Executive and Leader provide a check and balance for each other’s authority.

The Council is committed to operating in an efficient and effective way to obtain value for money from its resources. It maintains a [Scheme of Delegation](#) setting out which decisions and powers have been delegated to various Committee and other officers.

So that Elected Members and Senior Officers have a shared understanding of their respective roles the Council has produced [a Protocol governing Member/Officer relations](#).

As part of the Our People strategy, improved staff induction and appraisal processes (“About You”) are in place. These ensure all staff understand the part they will play in delivering the vision for the city in Our Manchester. A ‘Golden Thread’ links individual staff objectives to team plans, directorate budget and business plans and the strategy for the city. As part of the ‘About You’ process staff consider with their line manager what training, development and support they need to succeed in their role.

The Council believes that governance is strengthened by the participation of people with many different types of knowledge and experience. Where external recruitment takes place, individuals from a range of backgrounds and communities are made aware of opportunities to join the Council. The Council is also committed to promoting electoral registration and participation and confidence in the integrity of the electoral process.

The Council is committed to developing the capability of people with governance responsibilities, evaluating their performance and ensuring that all staff understand the importance of governance within their role. As part of this, the Council provides an effective induction and training programme for Members and Officers tailored to individual needs and provides regular opportunities for them to learn about new developments key to their role as well as effective training and guidance for Members and Officers to understand their governance responsibilities. An improved corporate induction approach was launched in 2019, which includes information and a video explaining the structure of the Council and how it is run, which is readily accessible by both new and existing staff on the Council's intranet.

The Council is committed to developing all its managers at all stages throughout their careers. Therefore, it offers a broad range of courses ranging from those aimed at all new managers, existing managers, and leaders.

The Council is consistent on consulting staff and their representatives on decisions regarding the terms and conditions of employment and the policies staff are subject to.

The Council listens to the views of its staff via the "BHeard" survey, and uses learning from this to make improvements in the way that it operates and communicates. It clearly communicates to its workforce when changes are made resulting from feedback in the survey, using a "You said... we did" approach.

The Council's Senior Officers and Executive Members run regular "Listening in Action" events where staff have the opportunity to engage with the Council's senior leadership in question and answer sessions.

The Council is committed to promoting the physical and mental health and wellbeing of the workforce as a core component of the People Strategy through both specific interventions and opportunities and as a central part of the role of all managers. This work is overseen by a cross-Directorate board which also includes representatives from Trade Unions. There is a dedicated intranet page with a wide range of support and guidance for staff and their managers covering a wide range of health and wellbeing topics and a 24/7 Employee Assistance Programme phone line providing a range of support.

The Council has an open and welcoming approach to external and peer review and inspection and actively considers constructive feedback.

F. Managing risks and performance through robust internal control and strong public financial management

Managing Risk

The Council operates a risk management framework that aids decision making in pursuit of the organisation's strategic objectives, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations. The framework is documented in a [Risk and Resilience Strategy](#) which is submitted to the Council's Audit Committee; the strategy involves regular appraisal of the effectiveness of risk management arrangements, involving elected members in the process of doing so. The implementation of the strategy is supported through a programme of risk management training for officers and members. The Council maintains a Corporate Risk Register identifying named risk managers for its key strategic risks.

Risk management is also an integral component of the budget and business planning process, linking risk management to the achievement, monitoring and resourcing of objectives at directorate level.

Managing Performance

The Council puts in place measures to monitor service delivery whether services are delivered internally or through external providers. Key Performance Indicators (KPIs) setting out the effectiveness of services are monitored by service managers to inform and support accountability for delivery. Reports compiling KPIs are submitted to directorate management teams to support transparency and resource allocation to address challenges.

Performance management remains relevant to the organisation through the business planning process where directorate objectives are reviewed, leading to a review of the relevant performance indicators to monitor progress towards them.

Performance of services delivered through external companies is monitored with those providers so that a shared understanding of contract performance is achieved. Similarly the Council monitors performance towards objectives set at a partnership level with key partners providing appropriate support to enable any barriers to continuous performance improvement to be addressed.

Relevant, objective and reliable performance information is used to inform decision making, alongside financial implications and risk information. The Council seeks to continue to innovate with its reporting methods, to ensure that its senior leaders have access to the most concise and timely information, providing a single view of organisational successes and challenges. This supports effective evidence based decision making.

Effective Overview and Scrutiny

The Council believes that effective overview and scrutiny of decisions and delivery of services leads to improved decision making and improved public services. The

Council establishes and maintains an effective [Scrutiny function](#) which is able to constructively challenge decision-makers, including those who work in partnership with the Council, and policy makers.

This scrutiny applies equally to the setting of policy, objectives and budgets as it does to the delivery of services and arrangements for monitoring them.

Robust Internal Control

Internal Control within the Council supports the achievement of objectives by managing risks while complying with regulations and organisational policies. Internal controls seek to protect the Council's resources against loss, fraud, misuse and damage and to safeguard the availability, confidentiality and integrity of its ICT and information systems.

The Council maintains clear policies and arrangements in respect of counter fraud and anti-corruption. These are the Anti Fraud and Anti Corruption Policy; Whistleblowing Policy; Anti Money Laundering Policy and the Anti Bribery Policy.

The Council ensures an independent [Audit Committee](#) is in place which provides a mechanism for effective assurance regarding risk management and the internal control environment.

The Council's internal auditor assesses the overall adequacy and effectiveness of the framework of governance, risk management and control. A summary of the findings is documented in the "Head of Internal Audit Annual Opinion" section of the [Annual Governance Statement](#).

Managing Data

The processing of personal data is essential to many of the services and functions carried out by local authorities. The Council complies with data protection legislation which includes GDPR (General Data Protection Regulation) and the [Data Protection Act 2018 \(DPA 2018\)](#), this will ensure that such processing is carried out fairly, lawfully and transparently.

The Council will review and supplement its policies and also keep its processing activities under review, to ensure they remain consistent with the law, and any compliance advice and codes of practice issued from time to time by the Information Commissioner's Office (ICO).

The Council is committed to safeguarding the personal data it holds and sharing this data only in circumstances required or permitted by law.

The Council will ensure that officers handling personal data will be trained to an appropriate level in the use and control of personal data. It is made clear that all staff and Members are personally accountable for using the Council's information responsibly and appropriately.

The Council will ensure that all staff handling personal data know when and how to report any actual or suspected data breach, and that Members are made aware of the appropriate procedures. We will appropriately train staff to manage any breach correctly, lawfully and in a timely manner. Breaches will be reported to the ICO where such reporting is mandatory or otherwise appropriate and shall be done within the required timescales.

All resources which staff use to support their understanding of the regulations are set out in plain and clear language, and are easily accessible from one place on the Council's intranet. These resources include information on the 12 Golden Rules, Roles and Responsibilities, Training, and Incidents and Reporting. To supplement and re-inforce the message from information accessible on the intranet, communications and reminders to staff include email broadcasts, posters, and leaflets about the 12 Golden Rules.

Information Governance is overseen by the Corporate Information Assurance and Risk Group (CIARG) chaired by the City Solicitor who is the Senior Information Risk Owner for the Council (SIRO). The work of the SIRO will be supported at Directorate level by Directorate SIROs ("DSIROs"), who may in turn appoint deputies.

The Council also appoints a Data Protection Officer ('DPO'). The DPO's responsibilities include:

- Informing and advising the Council and its staff about their obligations to comply with data protection legislation.
- Monitoring compliance with data protection legislation, including managing internal data protection activities, advising on data protection impact assessments, training staff and conducting internal audits.
- Co-operating with and acting as the first point of contact for the ICO.

The Council will ensure that:

- The DPO reports to the highest management level of the Council in respect of their duties as DPO.
- The DPO operates independently and is not dismissed or penalised for performing their task.

The Council is committed to sharing appropriate data safely with other agencies; where this improves effective and efficient service delivery, supports its objectives and the vision for the city and is compatible with the rights of individuals.

The Council complies with the [Local Government Transparency Code 2015](#) by publishing accurate data within appropriate time frames in the areas mandated by the Code in the Council's [Open Data Catalogue](#) together with additional data of value to stakeholders and the public.

The Council keeps under regular review the quality and accuracy of the data it produces, and uses in decision making and performance monitoring.

The Council makes information available to the public via the information access regimes provided for by the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.

Data protection legislation provides individuals with various rights. An individual's rights include, but are not limited to; 'the right to be informed', 'the right of access' and 'the right of rectification'. The Council recognises the fundamental nature of the individual rights provided by data protection legislation. The Council will ensure that all valid requests from individuals to exercise those rights are dealt with as quickly as possible and by no later than the timescales allowed in the legislation.

Strong Public Financial Management

The Council's approach to Financial Management ensures that public money is safeguarded at all times ensuring value for money. Its approach supports both long term achievement of objectives and shorter term financial and operational performance.

The Chief Finance Officer, the Deputy Chief Executive and City Treasurer, ensures that appropriate advice is given on all financial matters, proper financial records and accounts are kept, and oversees an effective system of internal financial control. The Deputy Chief Executive and City Treasurer ensures well developed financial management is integrated at all levels of planning and control including management of financial risks and controls.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Implementing Good Practice in Transparency

The Council is committed to publishing information including reports in a manner which is accessible to citizens and other stakeholders. Information is produced in an open and understandable style appropriate to the intended audience and the communication channel, including web-based and social media. The publication of information will strike a balance between satisfying transparency demand and becoming too onerous for users to understand.

The Council maintains a coherent and consistent approach to the management of social media, both with regards to messages sent out from the Council as well as those sent by individual staff members and elected Members, to reduce the risks of any breaches of legislation or reputational damage.

Implementing Good Practices in Reporting

The Council seeks to demonstrate to its stakeholders that it has delivered on its commitments and goals and has used public resources effectively in so doing. To this end it publishes an [Annual Report](#) as part of its accounts, setting out how it has performed, delivered value for money and exercised sound stewardship of resources.

The Annual Report includes performance information accompanying the financial statements that allow for comparison with other similar local authorities to be made. This information is drawn from the Council's Annual [State of the City](#) publication which charts the city's progress towards its vision.

The Council has a legal responsibility to conduct, at least annually, a review of the effectiveness of its governance framework including its system of internal control and document the findings in an [Annual Governance Statement](#). This evidences how it has complied with CIPFA's "Delivering Good Governance in Local Government (2016)", and includes an action plan identifying what governance challenges it will need to address in the next financial year. The Council also summarises the findings from the review in an easily digestible format within the Annual Report.

Assurance and Effective Accountability

The Council welcomes peer challenge, internal and external review and audit, and inspections from regulatory bodies and gives thorough consideration to arising recommendations. It puts in place arrangements for the implementation of actions agreed to be taken as a result and there is clear oversight from elected members on the conclusions and resultant actions.

The Council monitors the implementation of internal and external audit recommendations. Assurance reports are presented to Audit Committee and its External Auditors bi-annually summarising the Council's performance in implementing recommendations effectively and within agreed timescales.

The Annual Governance Statement contains a section “Annual Review of the System of Internal Audit” which sets out how the Council has gained assurance regarding the effectiveness of its Internal Audit function.

Public Sector Internal Audit Standards (PSIAS) set out the standards for internal audit and have been adopted by the Council. This process includes the development of an Emergent Audit Plan designed to invite comment from management and the Audit Committee.

Monitoring and Review

This Code will be reviewed on an annual basis to ensure it is kept up to date. Where the review identifies that changes to the Code are necessary, the revised Code will be submitted to Standards and Audit Committee for comments before being incorporated within the Council's Constitution.

The Council has three Committees that are jointly responsible for monitoring and reviewing the Council's Corporate Governance arrangements. These Committees are:

- [Audit Committee](#) - responsible for approving the Council's annual accounts and responding to the External Auditor's Annual Audit Letter. It also oversees the effectiveness of the Council's governance and risk management arrangements, the internal control environment, associated anti-fraud and anti-corruption arrangements and the Whistleblowing policy.
- [Resources and Governance Scrutiny Committee](#) – reviews how the Council uses its resources effectively and efficiently to deliver services for Manchester residents. It also looks at governance arrangements of the Council and its partners in the public sector, to ensure the views of local residents and their representatives are reflected in decisions it takes.
- [Standards Committee](#) – responsible for promoting and maintaining high standards of conduct amongst Members, for advising the Council on the adoption and revision of the Code of Conduct for Members, and for monitoring the operation of the Code.

Full terms of reference for each of these Committees are included in the Council's [Constitution](#). All Members of the Council are informed of the work of these Committees through minutes submitted to Council.

The Council will ensure that corporate governance arrangements are kept under continual review by updating, as appropriate, these Committees on:

- The work of Internal and External Audit
- The opinion of other review agencies and inspectorates
- Opinions from the Council's Statutory Officers
- General matters relating to the implementation of the Code
- The production of the Annual Governance Statement and actions planned to address arising governance issues.

The Annual Governance Statement

Each year the Council will publish an [Annual Governance Statement](#) to accompany the [Annual Accounts](#). The Statement provides an overall assessment of the Council's corporate governance arrangements and how it adheres to the governance standards set out in this Code. Evidence relating to the principles of this Code is reviewed and analysed to assess the robustness of the Council's governance arrangements.

The Statement includes an appraisal of the key controls in place to manage the Council's principal governance risks and the effectiveness of systems and processes governing decision making and financial control. The Statement also provides details of

where improvements need to be made. Actions to address significant governance issues are identified and recorded in an action plan. The Annual Governance Statement is audited by the Council's external auditors as part of the audit of the annual accounts.

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Manchester City Council Audit Committee Work Programme 2019/20 and Recommendations Monitor

Item	Lead Officer	Position	Comments	AC ToR
Meeting Date 10 December 2019, 10am (Report deadline 29 November)				
Annual Audit Letter	Karen Murray	External Audit (Mazars)	Report from the External Auditor on the overall findings and recommendations resulting from the 2018/19 annual audit plan. <i>To consider and comment</i>	2 4.7
Review of Code of Corporate Governance	James Binks Vicky Clark	Director of Policy, Performance and Reform Head of Performance, Research & Intelligence	To consider and comment on the updated Code of Corporate Governance <i>To consider and comment</i>	1 3 4.10 4.12
Annual Audit Plan – Horizon Scanning Report	Tom Powell Richard Thomas Kathryn Fyfe	Head of Audit and Risk Deputy Head of Audit and Risk Audit Manager	Report on areas of potential risk and focus for 2020/21 and future years' internal audit planning. As requested by Audit Committee in February 2019 meeting <i>To consider and comment</i>	4.2 4.3
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
Work Programme and Recommendations Monitor	Andrew Woods	Governance Team Leader		

Item	Lead Officer	Position	Comments	AC ToR
Meeting Date 11 February 2020, 10am (Report deadline 31 January)				
Internal Audit Assurance Report	Tom Powell Richard Thomas Kathryn Fyfe	Head of Audit and Risk Deputy Head of Audit and Risk Audit Manager	Summary of internal audit activity and report opinions to the end of quarter three. <i>To consider and comment</i>	4.4
Outstanding Audit Recommendations	Tom Powell Richard Thomas Kathryn Fyfe	Head of Audit and Risk Deputy Head of Audit and Risk Audit Manager	Update on the implementation of internal and external audit recommendations for each Directorate to the end of quarter three. <i>To consider and comment</i>	4.4
Risk Management Strategy and Risk Register	Tom Powell Richard Thomas John Gill	Head of Audit and Risk Deputy Head of Audit and Risk Risk and Resilience Manager	Update on the Council's risk management strategy and governance arrangements. To include the corporate risk profile as articulated in the latest refresh of the corporate risk register. <i>To consider and comment</i>	4.1
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
Work Programme and Recommendations Monitor	Andrew Woods	Governance Team Leader		

Meeting Date 10 March 2020, 10am (Report deadline 28 February)				
Annual Audit Plan	Karen Murray	External Audit (Mazars)	Report from the External Auditor on the External Audit Plan for the audit of the accounts and value for money conclusion for year e3nding 31 March 2020 <i>To consider and comment</i>	2 4.7

Register of Significant Partnerships	James Binks Vicky Clark	Director of Policy, Performance and Reform Head of Performance, Research & Intelligence	Annual review of the register of significant partnerships. <i>To consider and comment</i>	4.10 4.12
Accounting Concepts and Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty	Carol Culley Janice Gotts Karen Gilfoy	City Treasurer Deputy City Treasurer Chief Accountant	To explain the accounting concepts and policies, critical accounting judgements and key sources of estimation uncertainty that will be used in preparing the accounts. <i>To consider and comment</i>	1 4.9
Annual Internal Audit Plan	Tom Powell Richard Thomas Kathryn Fyfe	Head of Audit and Risk Deputy 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
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
Work Programme and Recommendations Monitor	Andrew Woods	Governance Team Leader		

Meeting Date for April TBC (proposed 7 April 2020), 10am (Report deadline 27 March)

Draft Annual Governance Statement (AGS)	James Binks	Performance Manager	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
	Vicky Clark	Head of Performance, Research & Intelligence		3 4.10 4.12

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
Review of Internal Audit and Quality Assurance Improvement Programme (QAIP)	Carol Culley	Deputy Chief Executive and 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 the Internal Audit Charter. <i>To consider and comment</i>	3
Annual Review of Audit Committee Terms of Reference	Andrew Woods	Governance Team Leader	To review the Committee terms of reference and operation of the Committee. To propose changes (where required) for consideration at Council. <i>To consider and comment</i>	
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
Work Programme and Recommendations Monitor	Andrew Woods	Governance Team Leader		

Date	Item	Recommendation	Response	Contact Officer
12 November 2019	AC/19/51 Internal Audit Assurance Report	<p>1. To receive a report on the all the outstanding recommendations identified by Internal Audit for Adult Services be submitted for consideration at a future meeting and that the Executive Member for Adult Health and Wellbeing and the Executive Director, Adult Social Services be in attendance.</p> <p>2. To receive an update report on the Management Oversight and Supervision – Children’s Services be submitted for consideration at a future meeting and that the Deputy Director Children’s Services and the Executive Member for Children and Schools be in attendance.</p> <p>3. That the Head of Internal Audit and Risk Management circulate information on the value of contracts referenced within the Integrated Commissioning and Procurement information.</p> <p>4. To confirm the proposed changes to the Internal Audit Plan 2019/20, subject to the comments from the Committee above.</p>		<p>Executive Director, Adult Social Services</p> <p>Deputy Director Children’s Services</p> <p>Head of Internal Audit and Risk Management</p>
12 November 2019	AC/19/52 Outstanding Audit Recommendations	<p>2. That a report on the overdue recommendations in relation to the Transition to Adults be submitted for consideration at an appropriate time, and all relevant Strategic Leads and Executive Members be in attendance.</p>		<p>Executive Director, Adult Social Services</p>

		2. That a report on the overdue recommendations in relation to Disability Supported Accommodation Services be submitted for consideration at an appropriate time, and all relevant Strategic Leads and Executive Members be in attendance.		Executive Director, Adult Social Services
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Audit Committee Terms of Reference: as per Constitution (Agreed by Council on 2 October 2019)

Purpose

1. The main purpose of the 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.

Governance

2. Review the Council's corporate governance arrangements including consideration of the Code of Corporate Governance.
 - Review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
 - Review the governance and assurance arrangements for significant partnerships or collaborations, including the Register of Significant Partnerships.
 - To consider the effectiveness of the Council's risk management arrangements including reviewing the Risk Management Strategy and Policy; and the Corporate Risk Register.
 - Review the assessment of fraud risks and potential harm to the Council from fraud and corruption including oversight of key anti-fraud policies and monitoring of the counter-fraud strategy.
 - To make recommendations to the Chief Finance Officer and Monitoring Officer in respect of Part 5 of the Council's Constitution (Financial Regulations).

Financial Reporting

3. Review and approval of the annual Statement of Accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
 - Consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts and monitor the Council's response to individual issues of concern identified.
 - Approve the Council's Statement of Accounts and associated governance and accounting policy documents in accordance with the Accounts and Audit Regulations 2015.

External Audit

4. Support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments (PSAA).
 - Consider the external auditor's annual audit plan, annual audit letter, relevant reports and the report to those charged with governance.
 - Advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Internal Audit

5. Oversee and provide assurance to the Council on the provision of an effective internal audit service and the main issues arising from Internal Audit work. In particular, undertake the duties of the Board as set out in Public Sector Internal Audit Standards (PSIAS) as follows:
 - Approve the Internal Audit Charter

- Review and approve the risk-based internal audit plan, including internal audit's resource requirements, including any significant changes, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
- Receive confirmation from the Head of Audit and Risk Management with regard to the organisational independence of the internal audit activity and make appropriate enquiries of management and the Head of Audit and Risk Management to determine whether there are inappropriate scope or resource limitations.
- Provide free and unfettered access to the Audit Committee Chair for the Head of Audit and Risk Management, including the opportunity for a private meeting with the Committee.
- Consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Head of Audit and Risk Management. To approve and periodically review safeguards to limit such impairments.
- Receive the results of the Quality Assurance and Improvement Plan annually and the external quality assessment of internal audit that takes place at least once every five years.
- Receive communications from the Head of Audit and Risk Management on the internal audit activity's purpose, authority, responsibility and performance relative to its plan. To include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the Committee.
- Consider the Head of Audit and Risk Management's annual opinion and report.
- Seek assurance on the adequacy of management response to internal audit advice, findings and recommendations in the form of implementation of agreed action plans.
- 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.

Treasury Management

6. 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; and
 - approving the selection of external service providers and agreeing terms of appointment.

Additional role of Audit Committee

7. To overview the Council's whistleblowing policy.

Delegation: In exercising the above powers and responsibilities, the Committee shall have delegated power to make decisions and act on behalf of the Council.

Note: The Committee may itself determine not to exercise its delegated powers and instead make recommendations to the Council.