

Audit Committee

Minutes of the meeting held on Tuesday, 10 March 2020

Present: Councillor Ahmed Ali (Chair) – in the Chair

Councillors: Clay, Lanchbury, Russell, Stanton, Watson and Downs

Apologies: Dr Barker, Independent Co-opted member
Councillor Ollerhead, Executive Member Finance and Human Resources

AC/19/6. Minutes

Decision

To approve the minutes of the meeting held on 11 February 2020 as a correct record.

AC/19/7. Register of Significant Partnerships

The Committee considered the report of the Deputy Chief Executive and City Treasurer that presented the Register of Significant Partnerships 2019. The format, and the review and assurance process associated with the register was outlined in the report. The report focused on partnerships which had been added to the Register during 2019 and those where the governance strength rating had changed, or where the rating remained 'Medium' or 'Low' strength following completion of the latest self-assessment. The full draft Register was included as an appendix to the report.

In response to questions from the Committee, the Directorate Lead, Corporate Planning and Governance stated that a review would be undertaken of how this register was produced to strengthen the reporting and value of the document. He stated that the review would allow for consideration to be given as to the frequency of the reporting, reflect upon and identify any improvements to the reporting process. He stated that consideration would also be given as to whether an additional metric of rating could be introduced to strengthen the document and that the Committee would be kept informed as this work developed.

In response to a Members question regarding plans for when the current Strategic Director Growth and Development left his post, the Deputy Chief Executive and City Treasurer stated that whilst not wishing to pre-empt any final decisions, the knowledge of all the partnerships and responsibilities was distributed across a number of officers within the Council.

In response to the reported rating of Medium for Manchester Health and Care Commissioning (MHCC), the partnership between the Council and CCG to create a single health, social care and public health commissioning function for Manchester, the Director of Policy, Performance and Reform advised that work continued to progress in regard to this activity and commented upon the existing complex systems within the different organisations and the challenge this

represented. However, he reassured the Committee that progress continued to be made. The Head of Internal Audit and Risk Management stated that a governance audit of MHCC had been undertaken approximately 12 months ago and progress continued to be made against those findings that had resulted in the Medium rating being awarded. The Directorate Lead, Corporate Planning and Governance directed Members to the section of the report that described the criteria applied to the awarding of the different ratings and described that these had been applied and that those ratings were reviewed by a moderation panel to ensure they were applied consistently and correctly.

In response to a Members comment regarding the importance of transition planning from Children Services to Adult Service, the Director of Policy, Performance and Reform advised Members that this was recognised and the respective services were actively working to improve transition pathways.

In response to a Members question regarding Northwards, the Deputy Chief Executive and City Treasurer informed the Committee that a review of ALMO (Arm's-length management organisations) governance arrangements was currently underway to ensure the existing arrangements were satisfactory, and the findings of this review would be reported at an appropriate time.

In response to a specific question regarding the Brunswick PFI, the Head of Internal Audit and Risk Management advised the Committee that he would look into this and provide an update to the Committee at an appropriate time.

Decisions

The Committee note the report.

AC/19/8. Accounting Concepts and Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The Committee considered the report of the Deputy Chief Executive and City Treasurer that explained the accounting concepts and policies, critical accounting judgements and key sources of estimation uncertainty that would be used in preparing the 2019/20 annual accounts. It also contained details of the new International Financial Reporting Standard (IFRS) 16 on leasing that was to be fully introduced by Local Government on 1 April 2020.

In response to a question from a member of the Committee regarding the anticipated impact on staff capacity to implement the International Financial Reporting Standard (IFRS) 16 on leasing, the Deputy City Treasurer stated that this requirement had been factored in to the teams' work planning.

Members noted the consequences of recent global events on world markets and the impact this could have on pension funds. The External Auditor acknowledged this comment and informed the Committee that consideration was being given as to how to respond to and navigate this emerging situation.

Decisions

The Committee;

1. Approve the accounting concepts and policies that will be used in completing the 2019/20 annual accounts
2. Note the critical accounting judgements made and key sources of estimation uncertainty.

AC/19/9. Annual Internal Audit Plan

Decision

To defer consideration of this report to the next meeting of the Committee.

AC/19/10. Risk Management Strategy and Risk Register

Decision

To defer consideration of this report to the next meeting of the Committee.

AC/19/11. Committee Work Programme

The Members considered the Committee's work programme. A Member commented that following the decision to defer the previous two items of business to the next meeting, consideration needed to be given to the number of items of business scheduled for the next meeting. The Chair noted this comment and advised the Committee that he would discuss this with relevant officers

Decisions

The Committee note the Work Programme subject to the above comments.