

Manchester City Council Audit Committee Workprogramme 2021/22 (Draft for Audit Committee Comment)

Month	Key Items	Owner
27 July	Draft Statement of Accounts Finance Outturn Reports Treasury Management Outturn Report Outstanding Audit Recommendations Q1 External Audit Update Report Risk Review Item: Update on the Redmond Review	Finance Finance Finance Audit and Risk External Audit Finance
28 September	Review of Internal Audit and Quality Assurance Improvement Programme (QAIP) Annual Review of Audit Committee Terms of Reference External Audit Update Report Risk Review Item: Health and Care / Adults Services Assurance Annual Counter Fraud Report (Part B)	Audit and Risk Audit and Risk External Audit DASS Audit and Risk
19 October	Internal Audit Assurance Report Q2 Outstanding Audit Recommendations Q2 External Audit Update Report Letters from those charged with governance Risk Review Item: Prudential Code Review	Audit and Risk Audit and Risk External Audit Audit and Risk Finance
23 November	External Audit Completion Report Final Statement of Accounts Register of Significant Partnerships Update (6 month review) Treasury Management Interim Update Risk Review Item	External Audit Finance Commercial Governance Finance Audit and Risk
14 December	No meeting – use for Annual Training Event	
18 January	Internal Audit Assurance Report Q3	Audit and Risk

Month	Key Items	Owner
	Outstanding Audit Recommendations Q3 Audit Strategy Memorandum / External Audit Plan Risk Review Item	Audit and Risk External Audit Audit and Risk
15 March	Accounting Concepts and Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty Annual Internal Audit Plan External Audit Update Report Risk Review Item	Finance Audit and Risk External Audit Audit and Risk

Manchester City Council Audit Committee Work Programme 2021/22 and Recommendations Monitor

Meeting Date 16 June 2021				
Draft Annual Governance Statement	Reform and Innovation: James Binks		To advise the processes followed to produce the AGS and obtain Audit Committee input to the draft statement. To consider and comment	2
Register of Significant Partnerships	Commercial Governance: DCE and City Treasurer Deputy City Treasurer Head of Commercial PMO	Carol Culley Tom Wilkinson Sarah Narici	To receive assurance over the process and outcome of work to maintain the Council's Register of Significant Partnerships. <u>To consider and comment</u>	2
Head of Audit and Risk Management Annual Opinion	Audit and Risk Tom Powell Richard Thomas		Assurance from the 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. <u>To consider and comment</u>	
Risk and Resilience Strategy and Risk Register	Audit and Risk: Tom Powell Richard Thomas		Assurance over the Council's risk management and business continuity strategies and governance arrangements. To include the corporate risk profile as articulated in the latest refresh of the corporate risk register. <u>To consider and comment</u>	3

Meeting Date 27 July 2021				
Draft Statement of Accounts	Finance: DCE and City Treasurer Deputy City Treasurer Chief Accountant	Carol Culley Tom Wilkinson Karen Gilfoy	The unaudited 2019/20 Annual Accounts, signed by the Deputy Chief Executive and City Treasurer, including the narrative report. <u>To consider and comment</u>	3
Finance Outturn Reports	Finance: DCE and City Treasurer Deputy City Treasurer Chief Accountant	Carol Culley Tom Wilkinson Karen Gilfoy	To report on the capital and revenue outturn budget for 2020/21 as context for the annual statement of accounts <u>To consider and comment</u>	3
Treasury Management Outturn Report	Finance: DCE and City Treasurer Deputy City Treasurer Chief Accountant Treasury Manager	Carol Culley Tom Wilkinson Karen Gilfoy Tim Seagrave	To report on the Treasury Management activities of the Council 2020/21. <u>To consider and comment</u>	3
Outstanding Audit Recommendations	Audit and Risk: Tom Powell Richard Thomas	Head of Audit and Risk Deputy Head Audit & Risk	Assurance provided from management action to implement Internal Audit recommendations to the end of quarter one. <u>To consider and comment</u>	5
External Audit Update Report	External Audit: Mazars Audit Partner Audit Snr Manager	Karen Murray Alastair Newall	To provide an update in respect of the external audit of the Council and <u>To consider and comment</u>	4
Risk Review Item: Update on the Redmond Review	Finance: DCE and City Treasurer Deputy City Treasurer Chief Accountant	Carol Culley Tom Wilkinson Karen Gilfoy	Update report on the Redmond Review and implications for the City Council <u>To consider and comment</u>	3

Meeting Date 28 September 2021				
Review of Internal Audit and Quality Assurance Improvement Programme (QAIP)	Audit and Risk: Carol Culley Tom Powell Richard Thomas	DCE and City Treasurer Head of Audit and Risk Deputy Head Audit & Risk	To consider the assurance provided by 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. To consider and comment	5
Annual Review of Audit Committee Terms of Reference	GSSU: 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>	1
External Audit Update Report	External Audit: Mazars Audit Partner Audit Snr Manager	Karen Murray Alastair Newall	To provide an update in respect of the external audit of the Council and <i>To consider and comment</i>	4
Risk Review Item: Health and Care / Adults Services Assurance	Directorate of Adults: DASS DDASS	Bernie Enright Sarah Broad	To provide an update in respect of actions taken to strengthen governance, risk management and control across Adults Services, with a focus on actions taken to address risks noted in audit recommendations <i>To consider and comment</i>	5
Annual Counter Fraud Report (Part B)	Audit and Risk: Tom Powell Richard Thomas Helen Smith	Head of Audit and Risk Deputy Head of Audit & Risk Lead Auditor	For Part B Exclusion of Press of Public – as report identifies weaknesses in internal control, approach to fraud risk detection and investigation that is likely to increase the risk of crime being committed against the Council.	2

Meeting Date 19 October 2021				
Internal Audit Assurance Report	Audit and Risk: Tom Powell Richard Thomas	Head of Audit and Risk Deputy Head Audit & Risk	Assurance provided from internal audit activity and reports to the end of quarter two. <i>To consider and comment</i>	5
Outstanding Audit Recommendations	Audit and Risk: Tom Powell Richard Thomas	Head of Audit and Risk Deputy Head Audit & Risk	Assurance provided from management action to implement Internal Audit recommendations to the end of quarter two. <i>To consider and comment</i>	5
External Audit Update Report	External Audit: Mazars Audit Partner Audit Snr Manager	Karen Murray Alastair Newall	To provide an update in respect of the external audit of the Council and <i>To consider and comment</i>	4
Letters from those charged with governance	Audit and Risk: Tom Powell Richard Thomas	Head of Audit and Risk Deputy Head Audit & Risk	Proposed letters to the External Auditor in respect of financial accounting arrangements, the risks of fraud and compliance with laws and regulations. <i>To consider and comment in advance of signing by the Audit Committee Chair and the Deputy Chief Executive and City Treasurer.</i>	4
Risk Review Item: Prudential Code Review	Finance: DCE and City Treasurer Deputy City Treasurer Chief Accountant	Carol Culley Tom Wilkinson Karen Gilfoy	Update report on review of the Code <i>To consider and comment</i>	3

Meeting Date 23 November 2021				
External Audit Completion Report	External Audit: Mazars Audit Partner Audit Snr Manager	Karen Murray Alastair Newall	Report from the External Auditor on the overall findings and recommendations resulting from the audit of the 2020/21 accounts <i>To consider and comment</i>	3

Final Statement of Accounts	Finance: DCE and City Treasurer Deputy City Treasurer Chief Accountant	Carol Culley Tom Wilkinson Karen Gilfoy	To seek Audit Committee approval for the final Annual Accounts following external auditor review. Item to include confirmation of completion of: Letters / enquires for the Deputy Chief Executive and City Treasurer and Audit Committee Chair; and Letter of Representation <i>To approve</i>	3
Register of Significant Partnerships Update (6 month review)	Commercial Governance: DCE and City Treasurer Deputy City Treasurer Head of Commercial PMO	Carol Culley Tom Wilkinson Sarah Narici	To receive an in-year update over the process and outcome of work to maintain the Council's Register of Significant Partnerships. <i>To consider and comment</i>	2
Treasury Management Interim report	Finance: DCE and City Treasurer Deputy City Treasurer Chief Accountant Treasury Manager	Carol Culley Tom Wilkinson Karen Gilfoy Tim Seagrave	Update on Treasury Management activities of the Council during the first six months of 2020/21. <i>To consider and comment</i>	3
Risk Review Item	c/o Audit and Risk: Tom Powell Richard Thomas	Head of Audit and Risk Deputy Head Audit & Risk	Update reports from officers on areas of focus to be agreed by Committee arising from limited/no assurance Internal Audit reports, outstanding audit recommendations or management of risk. To consider and comment	2

Meeting Date 18 January 2022				
Internal Audit Assurance Report	Audit and Risk: Tom Powell Richard Thomas	Head of Audit and Risk Deputy Head Audit & Risk	Assurance provided from internal audit activity and reports to the end of quarter three. <i>To consider and comment</i>	5
Outstanding Audit Recommendations	Audit and Risk: Tom Powell Richard Thomas	Head of Audit and Risk Deputy Head Audit & Risk	Assurance provided from management action to implement Internal Audit recommendations to the end of quarter three. <i>To consider and comment</i>	5
Audit Strategy Memorandum / External Audit Plan	External Audit: Mazars Audit Partner Audit Snr Manager	Karen Murray Alastair Newall	Report of the Council's external auditors Mazars that summarises their audit approach, significant audit risks, areas of key judgements and details of the audit team for the 2022/23 audit <i>To consider and comment</i>	4
Risk Review Item	c/o Audit and Risk: Tom Powell Richard Thomas	Head of Audit and Risk Deputy Head Audit & 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>	2

Meeting Date 15 March 2022				
Accounting Concepts and Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty	Finance: DCE and City Treasurer Deputy City Treasurer Chief Accountant	Carol Culley Tom Wilkinson Karen Gilfoy	To explain the accounting concepts and policies, critical accounting judgements and key sources of estimation uncertainty that will be used in preparing the accounts. <u>To consider and comment</u>	3
Annual Internal Audit Plan	Audit and Risk: Tom Powell Richard Thomas	Head of Audit and Risk Deputy Head Audit & Risk	To provide the Internal Audit Strategy and annual internal audit work plan for Audit Committee consideration in line with Public Sector Internal Audit Standards. <u>To review and approve</u>	5
External Audit Update Report	External Audit: Mazars Audit Partner Audit Snr Manager	Karen Murray Alastair Newall	To provide an update in respect of the external audit of the Council and <u>To consider and comment</u>	3
Risk Review Item	c/o Audit and Risk: Tom Powell Richard Thomas	Head of Audit and Risk Deputy Head Audit & 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. <u>To consider and comment</u>	2

Audit Committee Recommendations Monitor

Date	Item	Recommendation	Response	Contact Officer
15/06/21	AC/21/12	To request that an overview of the function, role and remit of the Commercial Board (Procurement, Contracts and Commissioning) is circulated to Audit Committee members for information.	Summary of key boards and terms of reference for the Commercial Board to be collated and shared with Audit Committee members. To be circulated to members of Audit Committee by end August 2021	Tom Powell Head of Audit and Risk Management
15/06/21	AC/21/16	To agree that a decisions monitor that sits alongside the committee's work programme shall in future be circulated to and track the progress of decisions and responses.	Monitor will be maintained alongside workprogramme Complete	Andrew Woods Governance Team Leader

Recommendations Monitor

Date	Item	Recommendation	Response	Contact Officer
16 March 2021	AC/21/09 Internal Audit Service Development Update	To provide an update on Outstanding Audit Recommendations.	Report submitted to July 2021 meeting	Head of Internal Audit and Risk Management

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.