

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

Meeting Date 12 November 2019, 10am (Report deadline 1 November) 115 minutes

| Item | Lead Officer | Position | Comments | AC ToR | Time |
|---|--|--|---|------------------------|------|
| 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 two. <i>To consider and comment</i> | 4.4 | 20 |
| 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 two. <i>To consider and comment</i> | 4.4 | 10 |
| Register of Significant Partnerships Update | Courtney Brightwell Kate Waterhouse | Performance Manager Head of Performance, Research & Intelligence | Update of actions being taken to provide assurance over the Council's role in significant partnerships. <i>To consider and comment</i> | 4.10 4.12 | 20 |
| Annual Governance Statement Update | Courtney Brightwell Kate Waterhouse | Performance Manager Head of Performance, Research & Intelligence | Summary of the progress in implementing recommendations from the Annual Governance Statement. <i>To consider and comment</i> | 1 3 4.10 4.12 | 20 |
| Treasury Management (Interim) Report | Janice Gotts Karen Gilfoy Tim Seagrave | Deputy City Treasurer Chief Accountant Finance Lead | Update on the Treasury Management activities of the Council. <i>To consider and comment</i> | 4.11 | 10 |
| External Audit Progress Report and Update | Karen Murray | External Audit (Mazars) | Update on the work of the External Auditor | 2 4.7 | 10 |
| Risk Review Item | Tom Powell | Head of Audit and Risk | Update reports from officers on areas of focus to be agreed by Committee arising from limited/no assurance Internal Audit reports, outstanding audit recommendations or management of risk. <i>To consider and comment</i> | 4.1 | 20 |

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| Work Programme and Audit Committee Recommendations Monitor | Andrew Woods | Governance Team Leader | | | 5 |
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| Meeting Date 10 December 2019, 10am (Report deadline 29 November) 85 minutes | | | | | |
|--|--|--|---|------------------------|------|
| Item | Lead Officer | Position | Comments | AC ToR | Time |
| 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 | 10 |
| Grants Certification Report | | KPMG | Report from KPMG in respect of the audit of grant returns 2018/19, any issues arising and associated fees. <i>To consider and comment</i> | 4.7 | 10 |
| Review of Code of Corporate Governance | Courtney Brightwell Kate Waterhouse | Performance Manager 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 | 20 |
| 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 | 20 |
| Risk Review Item | Tom Powell | Head of Audit and Risk | Update reports from officers on areas of focus to be agreed by Committee arising from limited/no assurance Internal Audit reports, outstanding audit recommendations or management of risk. <i>To consider and comment</i> | 4.1 | 20 |

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| Work Programme and Audit Committee Recommendations Monitor | Andrew Woods | Governance Team Leader | | | 5 |
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Meeting Date 11 February 2020, 10am (Report deadline 31 January) 75 minutes

| Item | Lead Officer | Position | Comments | AC ToR | Time |
|--|--|--|---|---------------|-------------|
| 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 | 20 |
| 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 | 10 |
| 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 | 20 |
| Risk Review Item | Tom Powell | Head of Audit and Risk | Update reports from officers on areas of focus to be agreed by Committee arising from limited/no assurance Internal Audit reports, outstanding audit recommendations or management of risk. <i>To consider and comment</i> | 4.1 | 20 |
| Work Programme and Audit Committee Recommendations Monitor | Andrew Woods | Governance Team Leader | | | 5 |

Meeting Date 10 March 2020, 10am (Report deadline 28 February) 85 minutes

| Item | Lead Officer | Position | Comments | AC ToR | Time |
|--|--|--|---|---------------|-------------|
| 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 | 10 |
| Register of Significant Partnerships | Courtney Brightwell Kate Waterhouse | Performance Manager Head of Performance, Research & Intelligence | Annual review of the register of significant partnerships. <i>To consider and comment</i> | 4.10 4.12 | 20 |
| 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 | 10 |
| 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 | 20 |
| Risk Review Item | Tom Powell | Head of Audit and Risk | Update reports from officers on areas of focus to be agreed by Committee arising from limited/no assurance Internal Audit reports, outstanding audit recommendations or management of risk. <i>To consider and comment</i> | 4.1 | 20 |
| Work Programme and Audit Committee Recommendations Monitor | Andrew Woods | Governance Team Leader | | | 5 |

Meeting Date for April TBC (proposed 7 April 2020), 10am (Report deadline 27 March) 105 minutes

| Item | Lead Officer | Position | Comments | AC ToR | Time on agenda |
|---|--|---|---|------------------------|----------------|
| Draft Annual Governance Statement (AGS) | Courtney Brightwell Kate Waterhouse | Performance Manager Head of Performance, Research & Intelligence | To advise the processes followed to produce the AGS and obtain Audit Committee input to the draft statement. <i>To consider and comment</i> | 1 3 4.10 4.12 | 30 |
| Head of Audit and Risk Management Annual Opinion | Tom Powell | Head of Audit and Risk | Head of Internal Audit and Risk Management Annual Opinion on the Council's systems of governance, risk management and internal control as well as a summary of audit work undertaken in the year. <i>To consider and comment</i> | 4.6 | 30 |
| 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 | 15 |
| 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> | | 5 |
| Risk Review Item | Tom Powell | Head of Audit and Risk | Update reports from officers on areas of focus to be agreed by Committee arising from limited/no assurance Internal Audit reports, outstanding audit recommendations or management of risk. <i>To consider and comment</i> | 4.1 | 20 |
| Work Programme and Audit Committee Recommendations Monitor | Andrew Woods | Governance Team Leader | | | 5 |

Audit Committee Terms of Reference: as 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.

Audit Committee - Recommendations Monitor

| Date | Item | Recommendation | Response | Contact Officer |
|------------------|---|--|----------|-----------------|
| 5 Nov 2018 | AC/18/54 2018/19 Annual Governance Statement (AGS) – Summary of Progress to Date | <p>To request that the Annual Governance Statement includes a response to concerns expressed regarding the consistency of the implementation of the Our Manchester behaviours across all areas of the Council's services and staff.</p> <p>To request that, as part of the Annual Complaints report, officers include details on the number of Freedom of Information and other subject access requests made to the Council and provide details of the average length of staff time taken to process a request and costs involved.</p> | | |
| 11 February 2019 | AC/19/07 Health and Social Care Assurance Framework | To request that the minutes of the Manchester Local Care Organisation Audit Committee be submitted to the Audit Committee for information. | | |
| 15 April 2019 | AC/19/19 Review of Effectiveness of Internal Audit | To request that a report is submitted to the Audit Committee in six months to provide details on the circulation of audit reports and summary reports to Executive Members. | | |