

Manchester City Council Audit Committee Workprogramme 2020/21 (Draft for Audit Committee Comment)

Month	Key Items	Owner
15 September	Internal Audit Assurance Report Q2 Outstanding Audit Recommendations – ICT Licensing Outstanding Audit Recommendations Q2 Risk Management Strategy and Risk Register Annual Counter Fraud Report (Part B)	Audit and Risk Director of ICT Audit and Risk Audit and Risk Audit and Risk
13 October	Risk Review Item Possible Cancellation of Meeting pending AC comments	Audit and Risk
November	External Audit Report Final Statement of Accounts Letters from those charged with governance to EA AGS Update Register of Significant Partnerships Update Treasury Management (Interim) Risk Review Item	External Audit Finance Audit and Risk R&I Commercial Governance Finance Audit and Risk
December	Annual Training Event	
January	Internal Audit Assurance Report Q3 Outstanding Audit Recommendations Q3 Review of Code of Corporate Governance Audit Strategy Memorandum / External Audit Plan Risk Review Item	Audit and Risk Audit and Risk R&I External Audit Audit and Risk
March	Register of Significant Partnerships Accounting Concepts and Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty Annual Internal Audit Plan Risk Management Strategy and Risk Register Risk Review Item	Commercial Governance Finance Audit and Risk Audit and Risk Audit and Risk
April	Draft Annual Governance Statement (AGS) Head of Audit and Risk Management Annual Opinion	R&I Audit and Risk

	Review of Internal Audit and Quality Assurance Improvement Programme (QAIP) Annual Review of Audit Committee Terms of Reference	Audit and Risk Audit and Risk
June / July	Draft Statement of Accounts Finance Outturn Reports and Treasury Management (Final) Internal Audit Annual Report	Finance Finance Audit and Risk

To add:

EA Update reports Mazars
TM Strategy
Grants Report

Other risk areas to consider

Business continuity refresh Covid19
Adults Assurance Update

Manchester City Council Audit Committee Work Programme 2020/21 and Recommendations Monitor

Meeting Date 15 September 2020				
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>	5
Outstanding Audit Recommendations – ICT Licensing	Chris Wanley Carol Culley	Director of ICT DCE and CT	Update on actions taken in response to Internal Audit recommendations.	5
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>	5
Risk Management Strategy and Risk Register	Tom Powell Richard Thomas	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>	2
Annual Counter Fraud Report	Tom Powell Richard Thomas Kathryn Fyfe	Head of Audit and Risk Deputy Head of Audit and Risk Audit Manager	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.	5

Meeting Date November 2020				
Annual Audit Report	Karen Murray	External Audit (Mazars)	Report from the External Auditor on the overall findings and recommendations resulting from the 2019/20 annual audit plan. <i>To consider and comment</i>	3
Annual Accounts 2019/20	Carol Culley Janice Gotts Karen Gilfoy	Deputy Chief Executive and City Treasurer Deputy City Treasurer Chief Accountant	To seek Audit Committee approval for the 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
Annual Governance Statement Update	Sean Pratt James Binks	Directorate Lead - Corporate Planning & Governance Director of PPR		2
Register of Significant Partnerships Update	Sarah Narici Janice Gotts	Head of Commercial Governance Deputy City Treasurer		2
Treasury Management (Interim)	Tim Seagrave Janice Gotts	Treasury Manager Chief Accountant		6

Meeting Date December 2020				
Annual Training Event				

Meeting Date January 2021				
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>	5
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>	5
Disability Supported Accommodation Services - Update Report	Bernie Enwright Karen Crier	DASS	Update report on the overdue recommendations in relation to Disability Supported Accommodation Services. As requested by Committee November 2019. Scheduled to come after planned follow up audit in 2020/21.	5
Management Oversight and Supervisions - Update Report	Paul Marshall Sean McKendrick	DCS DDCS	Update report on Management Oversight and Supervisions – Children’s Services. As requested by Committee November 2019. Scheduled to come after planned follow up audit in 2020/21.	5
Audit Strategy Memorandum / External Audit Plan	External Audit		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.	4
Review of Code of Corporate Governance	Sean Pratt James Binks			2

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>	1
Work Programme and Recommendations Monitor	Andrew Woods	Governance Team Leader		

Meeting Date March 2021				
Register of Significant Partnerships	Sarah Narici Janice Gotts			2
Accounting Concepts and Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty	Carol Culley Janice Gotts Karen Gilfoy	Deputy Chief Executive and 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>	3
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>	5
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>	2
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>	1
Work Programme and Recommendations Monitor	Andrew Woods	Governance Team Leader		

Meeting Date for April 2021 10am				
Draft Annual Governance Statement (AGS)	James Binks Vicky Clark	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>	2
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>	5
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>	5
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>	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>	1

Work Programme and Recommendations Monitor	Andrew Woods	Governance Team Leader		
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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>Completed - ED and EM attended Committee. Recommendations tracking continues to form part of internal audit reporting to future meetings</p> <p>Scheduled January 2021 to come after follow up audit planned 2020/21.</p> <p>Completed - information shared with Committee members.</p> <p>Audit plan presented to and approved by Audit Committee July 2020</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	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.	Completed - report presented to Audit Committee December 2019	Executive Director, Adult Social Services
		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.	Scheduled January 2021 to come after follow up audit planned 2020/21.	Executive Director, Adult Social Services

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.