

AUDIT AND ACCOUNTS COMMITTEE

Date: 23 October 2019

Meeting commenced: 2:00pm.

Meeting ended: 2:35pm

PRESENT: Councillor Robin Garrido: In the Chair
Councillors: Joshua Brooks, David Jolley, Roger Jones, John Walsh
Vittoria Bugana (Co-opted Member)

INVITEE: Councillor Bill Hinds (Lead Member for Finance and Support Services)

PUBLIC: A member of the public.

OFFICERS: Miranda Carruthers-Watt – City Solicitor
Jean Gleave - Head of Internal Audit
Joanne Hardman - Chief Finance Officer
Jay Horesorun – Principal Auditor – Internal Audit
Karen Murray – Director, Mazars
David Smith – Internal Audit Manager
Liz Wright - Senior Democratic Services Officer

1. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillor M Pevitt, Councillor P Connor and Mr C Whittingham (Mazars).

2. AGENDA ITEMS

- The committee were asked to consider whether it agrees to Parts 1 and 2 of the agenda.
- The Chair reported that he had received a briefing note from Bev Hinks updating the members about a proposal to change the reporting on the city council's Strategic Risk Register.
- The committee agreed that all items would be considered under Part 1 on the agenda and that the briefing note Reporting of Salford City Council Strategic Risk Register be considered as an additional urgent item of business at the end of the agenda.

RESOLVED: THAT all items were to be considered under Part 1 of the agenda and that the briefing note Reporting of Salford City Council Strategic Risk Register be considered as an additional urgent item of business at the end of the agenda.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. MINUTES OF THE PREVIOUS MEETING

RESOLVED: THAT the minutes of the meeting held on 30 September 2019 were approved as a correct record.

5. MATTERS ARISING

There were no matters arising.

6. URGENT BUSINESS - PART 1

6a. CIPFA Statement

- The Committee reviewed the statement and it generated discussion around the role of the committee and review of risk areas.
- Congratulations were given to Jean Gleave for being awarded the CIPFA Barbara Kay Regional Award Lifetime Achievement for commitment to work for CIPFA in the region and as part of the CIPFA internal audit special interest group.
- The Committee commended Internal Audit for being included in the CIPFA document, Leading Internal Audit in the Public Sector, as an example of best practice. It was reported that other councils were contacting the audit team for advice and best practice guidance.
- The statement had last been updated in 2010 and it was highlighted that a key change was the focus given to the importance of audit as a responsibility of the whole organisation.
- The Chair highlighted the role of the committee to monitor any new ventures that may highlight a potential financial risk and added that he proposed that the Urban Vision transition back to the city council should be an agenda item for the meeting in January. The committee agreed this and requested that an update around risks attached to the Urban Vision transition should be a report for the January meeting.
- The Committee noted the updated Statement and noted the support required to enable internal auditors to meet the required standards.

RESOLVED: THAT the committee

1. agreed that the Urban Vision transition to be on the agenda for the 22 January meeting and requested an update on the risks attached to the UV transition for that meeting;
2. congratulated Jean Gleave for being awarded the CIPFA Barbara Kay Regional Award Lifetime Achievement for commitment to work for CIPFA in the region and as part of the CIPFA internal audit special interest group;
3. commended Internal Audit for being included in the CIPFA document Leading Internal Audit in the Public Sector as an example of best practice.
4. members noted the updated Statement and noted the support required to enable internal auditors to meet the required standards.

6b. External Audit – Audit Committee Updates

Karen Murray (Mazars) gave an overview of the report, which included the following.

- The 2018/19 audit had been formally closed and the Annual Audit Letter would be presented at the next meeting.
- The process for the 2019/20 audit had just commenced and the committee would be updated on its progress at the future meetings.
- The national publications for interest to the committee in their role were highlighted.

- The National Audit Office (NAO) consultation on the New Code of Audit Practice 2020/21 was highlighted as it would apply to audits from 2020/21 onwards.

RESOLVED: THAT

1. The members noted the progress of Mazars in delivering their responsibilities as the city council's external auditor;
2. The members noted the papers in Appendix A highlighting emerging national issues and developments.

6c. Internal Audit Charter

- It was reported that the CIIA model was used and section 7 set out in detail the independence of audit.
- The committee was informed of minor updates in the revised Charter.

RESOLVED: THAT the committee approved the updated version of the Internal Audit Charter 2019/20.

6d. Internal Audit Quality and Improvement Programme

- The action plan was highlighted and the actions included those from the self-assessment and from the external assessment.
- The Key performance Indicators (KPIs) were reported in Appendix A.
- *Does the Internal Audit Team, have the capacity to address the KPIs and all its other responsibilities?*
It was confirmed that the Internal Audit Team was up to full capacity and progress made was good and on track.
- *Who is responsible in terms of audit for Manchester Airport?*
Joanne Hardman agreed to investigate how we receive assurance around the council's interests in Manchester Airport.

RESOLVED: THAT the committee approved the content of the report and approved the updated Internal Audit Quality Assurance and Improvement Programme.

6e. Internal Audit Progress Report July 2019 – October 2019

David Smith introduced the report and highlighted the following.

- Table 1 showed the audits that had been conducted since the last meeting.
- There were currently no limited assurances for schools.
- The New Broadwalk Pupil Referral Unit (PRU) had been assessed as satisfactory.
- The Primary Partnership Centre (Alderbrook) PRU's Post Implementation Audit was satisfactory and any issues to address would be dealt with by the management committee at the next meeting.
- The Whistleblowing Policy had been approved at the Workforce Panel in September. The policy had been made more user friendly, following feedback received, in recognition of the importance of the policy so that it was easy to understand and to use. A copy of the Whistleblowing Policy would be circulated to the members following the meeting.
- It was reported that the following audit work had been recently started:

- Integrated Agenda (Best Value Programme)
- Personal Budgets (Children and Families)
- Salford Community Leisure – Client Side
- Urban Vision Transition (Programme Governance)
- Service Charges and Fees (Health Checks)
- Payroll: Timesheets
- Council Tax and Business Rates
- School Audits (ongoing)
- The members' attention was drawn to Appendix 1 – The current position against the Audit Plan – and also alerted that the Cyber Security Report was nearly completed.
- The members considered and noted the contents of this report.

RESOLVED: THAT the committee thanked David Smith for the comprehensive report and noted the report.

7. ADDITIONAL URGENT ITEM – THE BRIEFING NOTE – REPORTING OF SALFORD CITY COUNCIL STRATEGIC RISK REGISTER

- There had been changes to the Corporate Performance Report and it was proposed to change the reporting on the city council's Strategic Risk Register to the committee to half yearly, to fit in with the changes to the Corporate Performance Report.
- The change would mean the committee would receive a 6 monthly report and a year-end update.
- If the change was agreed the six monthly report would be presented at the next meeting in January 2020.

RESOLVED: THAT the committee agreed the changes to the reporting of the city council's Strategic Risk Register to a six month and end of year report.

8. EXCLUSION OF THE PUBLIC

RESOLVED: THAT, under section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the ground that they involve the likely disclosure of exempt information as specified in the paragraphs of Part 1 of Schedule 12A to the Act.

PART 2 – CLOSED TO THE PUBLIC

9. URGENT BUSINESS – PART 2

There was no urgent Part 2 business to consider.

10. DATE OF THE NEXT MEETING

Wednesday 22nd January 2020 at 2pm in Committee Room 1.

Committee Members attendance 2019

✓ = present; A = Apologies submitted; Blank = No apologies submitted.

Councillor	Jan	March	June	July	Sept	Oct
Councillor R Garrido (chair)	✓	✓	✓	✓	✓	✓
Councillor J Brooks				✓	✓	✓
Councillor P Coen			✓	A		
Councillor P Connor	A		A	A	A	A
Councillor D Jolley	✓	✓	A	✓	✓	✓
Councillor R Jones			A	✓		
Councillor J King			✓			
Councillor K Lewis	✓	✓				
Councillor M Pevitt	A		A	A	✓	A
Councillor N Reynolds	✓	A				
Councillor R Sharpe		✓				
Councillor John Walsh	✓	✓	✓	✓	✓	✓
Councillor B Hinds (invitee)	✓	✓	✓	✓	✓	✓
Vittoria Bugana (co-opted member)	✓	✓	✓	✓	✓	✓
Bruce Cowen (co-opted member)	✓	A	✓			