

**AUDIT COMMITTEE**  
**10/09/2020 at 6.00 pm**



**Present:** Councillor Haque (Vice-Chair, in the Chair)  
Councillors Ahmad, C. Gloster, Salamat, Sheldon, Hobin, Iqbal and Taylor

Also in Attendance:

Anne Ryans	Director of Finance
Mark Stenson	Head of Corporate Governance
Alastair Newall	Mazars External Auditors
Sabed Ali	Assistant Manager - Internal Audit
Andrew Bloor	Assistant Manager - Counter Fraud
Liz Droган	Head of Democratic Services
Kaidy McCann	Constitutional Services
Lee Walsh	Finance Manager - Capital and Treasury
Sian Walter-Browne	Principal Constitutional Services Officer

**1            APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Dean.

**2            URGENT BUSINESS**

There were no items of urgent business received.

**3            DECLARATIONS OF INTEREST**

There were no declarations of interest received.

**4            PUBLIC QUESTION TIME**

There were no public questions received.

**5            MINUTES OF PREVIOUS MEETING**

**RESOLVED** that the minutes of the Audit Committee held on 21<sup>st</sup> July 2020 be approved as a correct record.

**6            2019/20 ANNUAL STATEMENT OF ACCOUNTS**

Consideration was given to a report of the Director of Finance on the 2019/20 Annual Statement of Accounts.

The Audit Committee was charged with the scrutiny and approval of the Statement of Accounts. A report had been presented to the last meeting of the Audit Committee with the expectation that the External Auditor would have completed the audit by the time of the meeting. It was noted that although the audit of Accounts was substantially complete, some items were still outstanding however they were not expected to have a significant impact on the final position. The accounts, therefore, could not be formally approved.

It was agreed that the Committee would delegate the final approval of the Council's Statement of Accounts, once there had been a satisfactory resolution to the outstanding items to the Vice Chair and the Director of Finance once all matters had been satisfactorily concluded.

The Committee was advised that, with the exception of one item, all the outstanding issues that required the resolution at 21 July 2020 had been completed. The one remaining issue is assurance with regard to the audit of the Greater Manchester Pension Fund (GMPF). This matter has still not been resolved. Members were advised that the Valuation of Pension Liabilities completion was outside the control of the Council however it was expected that this and any final elements of the audit work would conclude during September 2020. A further update report would be presented at the next Committee meeting.

**RESOLVED** that:

1. The progress on the audit of the Accounts be noted (for clarification 'noted' means approval).
2. The delegation of the approval of the Council's 2019/20 Statement of Accounts to the Vice Chair of the Audit Committee and Director of Finance on receipt of advice from the External Auditor be confirmed.

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**EXTERNAL AUDIT PROGRESS REPORT**

The Committee gave consideration to a report which presented the External Audit Progress Report, as attached at appendix 1 as prepared by the External Auditor, Mazars LLP.

The External Audit Progress report at Appendix 1 to the report provided the Committee with an update on the progress in delivering their responsibilities as the Council's External Auditors. It was noted that since the previous Committee meeting the outstanding tasks had been completed as followed:

- Valuation of Property, Plant & Equipment assets.
- Valuation of Heritage Assets.
- Valuation of the Council's share of the land at Manchester Airport.
- Categorisation of the Council's investment in Manchester Airport.
- Consideration of the Council's impairment of short-term debtors.
- Categorisation and valuation of provisions, contingent liabilities and contingent assets.

The External Auditor advised the Committee that the audit of the Greater Manchester Pension Fund was expected to be complete the following week with the final file work completed in two weeks.

**RESOLVED** that the External Audit Progress Report be noted.

## UPDATE ON AUDIT MATTERS

Consideration was given to a report of the Head of Corporate Governance which provided the Committee with an update on Audit Matters.

Members were advised that there were three separate External Auditors providing external audit services. Two External Auditors provided services to the 100% Council owned companies The Unity Partnership Ltd and the MioCare Group Community interest Company. The third Auditor was for the certification of the specific grant and pension contributions returns including the Housing Benefit Subsidy grant claim and Teachers' Pension Agency return. A tender exercise would commence during September to appoint a singular External Auditor to undertake the work with the outcome available in January 2021.

The Committee was updated on the progress of appointing an Independent Chair. Three recruitment exercises had previously been completed in 2018, 2019 and 2020 with none producing a suitable shortlist despite the national advert with the Chartered Institute of Public Finance and Accountancy. The Committee noted the importance of recruiting an independent Chair however it was proposed due to the challenges of the Covid-19 pandemic to defer placing another advertisement until an appropriate time in 2021.

### **RESOLVED** that;

1. The planned approach to recruit an Independent Chair be approved.
2. The planned tender for external audit to appoint one external auditor be noted.

## AUDIT COMMITTEE WORK PROGRAMME 2020/21

**RESOLVED** that the submitted Audit Committee Work Programme 2020/21 be noted.

## EXCLUSION OF THE PRESS AND PUBLIC

**RESOLVED** that, in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they contain exempt information under paragraph 3 of Part 1 of Schedule 12A of the Act, and it would not, on balance, be in the public interest to disclose the reports.

## UPDATE ON ANNUAL GOVERNANCE STATEMENT FOR 2019/20 AND NEW ISSUES

The Committee considered a report of the Head of Corporate Governance which

- a) Updated Members of the Audit Committee on the progress made to reduce the risk of issues arising for the

Council to address, where matters were identified as areas requiring improvement in internal control within the Annual Governance Statement for 2019/20.

- b) Identified new risks which were considered appropriate for potential inclusion in the Annual Governance Statement when it is produced for the financial year 2020/21.

**RESOLVED** that the report be noted.

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**INTERNAL AUDIT AND COUNTER FRAUD PLAN 2020/21**

Consideration was given to a report presented by the Assistant Manager Internal Audit which advised the Committee on the proposed revised Internal Audit and Counter Fraud Plan covering the period from 1 August 2020 until 31 March 2021. Due to the impact of the COVID-19 pandemic which resulted in extensive unforeseen work to be undertaken by the Service from 1 April 2020 to 31 July 2020 the draft plan for the full financial year required substantial amendment. The Annual Audit Plan for 2020/21 had been reviewed and an eight-month Plan had been prepared by the Head of Corporate Governance and was presented to the Committee.

**RESOLVED** that the recommendations in the report be agreed.

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**BUSINESS GRANT SCHEMES ASSURANCE REPORT**

Consideration was given to a report of the Assistant Manager Counter Fraud that set out the reporting of assurance data by the Council to the Department for Business, Energy and Industrial Strategy on the administration of the Small Business Grant Fund and Retail Hospitality and Leisure Grant Fund regimes. Eligible businesses received payments of either £10,000 or £25,000 from the funds which were introduced by Government to provide emergency support due to the Covid-19 pandemic.

Members asked if the information relating to the businesses that received the funds were available to be viewed. It was noted that all payment made by the Council over £500 including the fund receivers was available on the website and a link would be circulated to members. The Committee commended the work of the Finance team undertaken regarding the Business Grants Schemes.

**RESOLVED** that the report be noted.

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**UPDATE ON GENERAL MATTERS IN 2020/21**

The Committee received a report of the Head of Corporate Governance that provided the Committee with an update on several matters related to litigation and the impact the Covid-19 pandemic has had on legislation.

**RESOLVED** that the recommendations in the report be noted.

The meeting started at 6.26 pm and ended at 7.46 pm

