

## **AUDIT COMMITTEE**

### **Agenda**

Date Thursday 10 September 2020

Time 6.00 pm

Venue Virtual Meeting  
[https://www.oldham.gov.uk/info/200608/meetings/1940/live\\_council\\_meetings\\_online](https://www.oldham.gov.uk/info/200608/meetings/1940/live_council_meetings_online)

Notes 1. DECLARATIONS OF INTEREST- If a Member requires any advice on any item involving a possible declaration of interest which could affect his/her ability to speak and/or vote he/she is advised to contact Paul Entwistle or in advance of the meeting.

2. CONTACT OFFICER for this Agenda is Constitutional Services, email [Constitutional.services@oldham.gov.uk](mailto:Constitutional.services@oldham.gov.uk)

3. PUBLIC QUESTIONS – Any member of the public wishing to ask a question at the above meeting can do so only if a written copy of the question is submitted to the Contact officer by 12 Noon on Monday, 7 September 2020.

4. FILMING – This meeting will be recorded for live and/or subsequent broadcast on the Council's website. The whole of the meeting will be recorded, except where there are confidential or exempt items and the footage will be on our website. This activity promotes democratic engagement in accordance with section 100A(9) of the Local Government Act 1972. The cameras will focus on the proceedings of the meeting. As far as possible, this will avoid areas specifically designated for members of the public who prefer not to be filmed. Disruptive and anti social behaviour will always be filmed.

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MEMBERSHIP OF THE AUDIT COMMITTEE IS AS FOLLOWS:

Councillors Ahmad, Dean, C. Gloster, Haque (Vice-Chair), Salamat, Sheldon, Hobin, Iqbal and Taylor

Item No

- 1 Apologies For Absence
- 2 Urgent Business  
Urgent business, if any, introduced by the Chair
- 3 Declarations of Interest  
To Receive Declarations of Interest in any Contract or matter to be discussed at the meeting.
- 4 Public Question Time  
To receive Questions from the Public, in accordance with the Council's Constitution.
- 5 Minutes of Previous Meeting (Pages 1 - 10)  
The Minutes of the Audit Committee held on 21<sup>st</sup> July 2020 are attached for approval.
- 6 2019/20 Annual Statement of Accounts (Pages 11 - 18)
- 7 External Audit Progress Report (Pages 19 - 28)
- 8 Update on Audit Matters (Pages 29 - 36)
- 9 Audit Committee Work Programme 2020/21 (Pages 37 - 42)
- 10 Exclusion of the Press and Public  
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.
- 11 Update on Annual Governance Statement for 2019/20 and New Issues (Pages 43 - 56)
- 12 Internal Audit and Counter Fraud Plan 2020/21 (Pages 57 - 106)
- 13 Business Grant Schemes Assurance Report (Pages 107 - 120)
- 14 Update on General Matters in 2020/21 (Pages 121 - 148)



**AUDIT COMMITTEE**  
**21/07/2020 at 6.00 pm**

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

Also in Attendance:

Anne Ryans	Director of Finance
Mark Stenson	Head of Corporate Governance
Karen Murray	Mazars External Auditors
Sabed Ali	Assistant Manager - Internal Audit
Andy Cooper	Capital & Treasury
Liz Droган	Head of Democratic Services
Lori Hughes	Constitutional Services
Lee Walsh	Finance Manager - Capital and Treasury
Amelia Payton	External Auditor

1           **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Dean and Councillor Salamat.

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 23<sup>rd</sup> June 2020 be approved as a correct record.

6           **TREASURY MANAGEMENT REVIEW 2019/20**

Consideration was given to a report of the Director of Finance on the Treasury Management Review for 2019/20.

The Council was required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2019/20. The report met the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2019/20 the minimum reporting requirements were that the full Council should receive the following reports:

- An annual treasury strategy in advance of the year (approved 27 February 2019)
- A mid-year (minimum) treasury update report (approved 8 January 2020)



- An annual review following the end of the year describing the activity compared to the strategy (this report).

The regulatory environment placed responsibility on members for the review and scrutiny of treasury management policy and activities. This report was therefore important in that respect, as it provided details of the outturn position for treasury activities and highlighted compliance with the Council's policies previously approved by members.

The Council confirmed it had complied with the requirements under the Code to give prior scrutiny to the treasury strategy and the mid-year update. The Audit Committee was charged with the scrutiny of treasury management activities in Oldham and was, therefore requested to review the content of this annual report prior to consideration by Cabinet and Council (to ensure full compliance with the Code for 2019/20).

During 2019/20, the Council had complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators, which detailed the impact of capital expenditure activities during the year, with comparators were detailed in the report. Actual capital expenditure was less than the revised budget estimate for 2019/20 presented within the 2020/21 Treasury Management Strategy report which was considered at the Council meeting of 26 February 2020. The outturn position was significantly less than the £84.332m original capital budget for 2019/20 as approved at Budget Council on 27 February 2019.

During the course of the year, the Capital Programme had seen substantial rephasing. A number of major schemes including a number of schools' schemes in the Children's Services Directorate had been rephased. The Asset Management (Education) Essential Condition Works provision was realigned into future years to align with other works being undertaken at schools. Housing Revenue Account (HRA) schemes were rephased into 2020/21 to align with the latest HRA Strategy. In addition, the 'Creating a Better Place' Strategy required a number of existing regeneration projects to be reviewed and rephased to align to the long-term vision of the strategy. Also, during the year, the IT Capital Strategy, the Strategic Roadmap, had been reviewed. The outcome was a rephasing of resources which ensured that the Council's future IT offer took account of new innovations in IT and created efficiencies that would complement future ways of working.

Borrowing of £20m was undertaken during the year. Member training on treasury management issues was undertaken on 1 October 2019 in order to support Members and senior members of staff in their scrutiny role.

The report also detailed other prudential and treasury indicators. The report summarised the following:

- Council's capital expenditure and financing during the year;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- Actual prudential and treasury indicators;
- Overall treasury position identifying how the Council has borrowed in relation to this indebtedness, and the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed debt activity; and
- Detailed investment activity.

The Director of Finance confirmed that the statutory borrowing limit (the authorised limit) had not been breached.

The challenging investment environment of previous years, namely low investment returns, continued in the 2019/20 financial year.

Members congratulated the Finance Team on the hard work in the completion of the accounts.

Members sought and received clarification on the capital expenditure. Members were informed that capital receipts were constantly reviewed. The level of capital receipts was linked to disposals. There was some slippage which could be related to maximising potential return for the Council and for due process to be followed. There was no particular challenge around the non-delivery in terms of receipts, however the 2020/21 position would be different due to the pandemic as activity around disposal had significantly reduced. Members were provided information on the use of the capital grant.

Members sought and received clarification on the loans and leases. The members were also provided with an update on the reprofiling of the capital programme which included the Creating a Better Place programme, rephasing into future years and the IT strategy.

**RESOLVED that:**

1. The actual 2019/20 prudential and treasury indicators presented in the report be approved.
2. The Annual Treasury Management Report for 2019/20 be approved.
3. The Treasury Management Review 2019/20 report be commended to Cabinet.

7

**RESERVES POLICY FOR 2019/20 TO 2020/21**

Consideration was given to a report of the Director of Finance which presented the proposed Reserves Policy for the financial years 2019/20 to 2020/21 and incorporated any view into the final policy.

From the financial year 2014/15, the Council had developed a strategic approach to the creation and maintenance of reserves through the development of a Reserves Policy. The presentation of the policy to the Audit Committee introduced improved transparency into the process which had previously been managed at the discretion of the Chief Financial Officer when the closure of the Final Accounts was undertaken.

There had been several reports issued on Local Government Resilience over the last couple of years with the Chartered Institute of Public Finance and Accountancy (CIPFA) releasing its Financial Resilience Index in December 2019. This index placed an increased focus on the level of reserves held by Local Authorities and therefore, its ability to be financially resilient. Furthermore, the global pandemic had had a significant impact on Local Government and the financial challenges faced by the Council meant a greater reliance would be placed on reserves.

The Audit Commission in 2012 produced a report into research on the level of reserves held by Councils. One conclusion was that Councils needed to consider their present decision making around reserves in a number of areas which included:

- Undertaking an annual review to ensure reserves aligned with Medium Term Financial Plans.
- Having clarity about what earmarked reserves were for.
- Ensuring earmarked reserves held to mitigate financial risk reflected an up-to-date assessment of risk.
- Monitoring the level and use of reserves over recent years, and comparing the Council's approach to other organisations facing similar circumstances.
- Budget monitoring and forecasting to give elected members greater awareness of likely year-end movements on reserves.
- Ensuring significant or unexpected variations to budget were dealt with.

The Council operates in a way that ensures that these six issues were given due consideration and action was taken to ensure compliance as appropriate.

The Policy was presented to the Audit Committee for review and to provide assurance that the Council managed its reserves effectively. The Policy was appended to the report at Appendix 1 and presented the Council's strategic approach to the creation and maintenance of reserves. It highlighted the 15 major reserves which aligned to the information contained in Note 14 of the Statement of Accounts (as presented elsewhere on the agenda). Members were advised of the purpose of each of the reserves.

Members were referred to Section 5 of the report whereby the decision to utilise any reserve would only be made once the in-year and future impact of use on the overall financial position of the Council had been considered by the Director of Finance.

Members commented that it was good to have healthy reserves and asked if there were enough to deal with the impact of the pandemic. Members were informed that there were sufficient reserves in these unforeseen times. There were some reserves which were required to support the Medium Term Financial Strategy, specifically linked to the transformation programme. What would be required was careful management to minimise the call on reserves through the times of uncertainty and there should be a delay in the use of committed reserves where possible until there was greater certainty about the financial position.

Members sought and received clarification on the £10m COVID-19 reserve. Whilst £7.641m related to Government grant received in 2019/20 as a unringfenced resource to support the response to the pandemic, the balance of £2.359m. It would either be used to support initiatives to be introduced to alleviate the effect of the pandemic or bridge the gap between the government resources provided and the required level of Council spending. Members also asked about specific reserves related to the pandemic and were informed that the 15 major reserves as outlined in the report would be reviewed if resources were needed.

**RESOLVED** that the review of the Reserves Policy for 2019/20 to 2020/21 be noted and was suitable from a governance perspective.

8 **EXTERNAL AUDIT - AUDIT UPDATE REPORT**

The report was included in the Audit Completion Report at Item 9 on the agenda.

9 **EXTERNAL AUDIT - AUDIT COMPLETION REPORT**

The Committee gave consideration to a report which presented the Council's draft Audit Completion Report, as attached at Appendix 1, for the year ending 31 March 2020 as prepared by the External Auditor, Mazars LLP.

The Audit Completion Report at Appendix 1 to the report summarised the External Auditor's audit conclusion. The scope of working included the identification of significant audit risks, key audit matters and other areas of management judgement as outlined in the Audit Strategy Memorandum (ASM) that had been presented to the Audit Committee on 20 January 2020. Since the presentation of the ASM, the consideration of a significant risk was revised. The External Auditor had identified in their ASM that there was a significant audit risk, and key audit matter, related to the valuation of the Council's pension liability. It was subsequently identified that the significant audit risk and key audit matters applied to the Council's group level and not just the Council single-entity financial statements, resulting in the pension liabilities of the Council's two wholly owned consolidated subsidiary companies being considered significant risks.

Since the External Auditor had issued the Audit Strategy Memorandum the UK had been subject to the challenges and restrictions of COVID-19. Other than the matter highlighted above, the External Auditor had concluded that the original significant audit risks, key audit matters and other areas of management judgement remained appropriate.

One implication of COVID-19 for the Council was the deadlines for submission of the draft and audited financial statements had been pushed back to 31<sup>st</sup> August and 30<sup>th</sup> November respectively. Despite the revised deadlines, the difficulties encountered by the Finance team during accounts preparation and audit were acknowledged and the External Auditor expressed their sincere thanks for the assistance of the team during the audit.

The Audit of the accounts had been substantially completed. Several items required resolutions, as presented at page 4 of the report, and were in the main outside the control of the Council. The following update was provided.

The challenges of completing the accounts with the shift to home working were highlighted as well with dealing with different priorities. The Oldham accounts had been prepared to a really good standard and officers had supported the external auditors with their queries. Members were provided updates on issues since the publication of the report and were informed of work ongoing on valuation, work on the heritage assets had been completed, ongoing work related to the Manchester Airport shareholdings and issues related to Pensions which were outside the control of the authority. There were no control issues identified which was a positive position.

External auditors provided a detailed explanation on the findings. The Valuation of land and buildings was yet to be completed but it was not expected that there would be any issues of significant risk to be reported. Assurance was still awaited from the Pension Fund Auditor, information had been requested but not yet received. Section 5 set out the adjustments to the final accounts and the impact of Covid regarding the revised actuarial report. There were no issues to report on the override of controls.

It was confirmed that Council had implemented all the recommendations from last year.

Members were informed that the deadlines had been changed for Final Accounts given the impact of the pandemic. The External Auditors were confident that none of the outstanding matters would lead to a material amendment. Whilst the audit was not yet finished, the accounts were substantially completed and further on than the report may indicate. At this stage, the external auditors could give an unqualified opinion and would be surprised if there were any amendments.

Members expressed concern related to the number of issues and their ability to give agreement to the Final Accounts. This would be discussed at the next item.

Members were informed that when the Extraordinary Audit Committee meeting had been set the External Auditor had indicated that the work on the Final Accounts was nearly completed. The main outstanding issues were outside the control of the Council and linked to other parties. If the accounts had been completed in an office environment the issues would have been resolved quicker. It was included in the recommendation of the Final Accounts report that the Committee delegate authority to approve the accounts to the Vice Chair and the Director of Finance on the advice of the External Auditor. It was suggested that the recommendation be amended so that if any significant changes or concerns were raised, the report would be brought back to the attention of the Committee. The External Auditors did not anticipate significant amendments.

The External Auditor spoke on the Value for Money conclusion which was required on overall arrangements in the use of resources. Reference was made to the oversight and understanding of the financial position and robust governance.

**RESOLVED** the Audit Completion Report for the year ending 31 March 2020 be noted.

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## **2019/20 STATEMENT OF ACCOUNTS**

Consideration was given to a report of the Director of Finance which presented the Council's Statement of Accounts for the financial year 2019/20. The Audit Committee was charged with the scrutiny and approval of the Statement of Accounts.

The report highlighted:

- The overall revenue outturn position for 2019/20 was a surplus of £0.270m. This was an increase on the favourable variance of £0.065m projected at Month 9 that was reported to Cabinet on 23 March 2020.
- The year-end variances that were attributable to each Portfolio.
- Schools balances at 31 March 2020 were £5.487m but were offset by the deficit on the Dedicated Schools Grant (DSG) of £4.916m leaving a net balance of £0.571m held within Other Earmarked Reserves.
- The final Housing Revenue Account (HRA) balance was £21.796m.
- The balance on the Collection Fund was a surplus of £3.295m.
- The small reduction in revenue account earmarked reserves of £1.263m to a level of £79.360m, a decrease in other earmarked reserves of £4.431m to a level of £8.504m and an increase in the General Fund balance of £0.270m to £15.110m, reflective of the revenue outturn position.

- Expenditure on the Council's Capital Programme for 2019/20 was £54.383m which was an increase on the Month 9 forecast expenditure of £52.497m. The increase in expenditure required funding allocated to future years to be re-profiled to fully finance the Capital Programme in 2019/20.
- Capital Receipts in year totalled £9.914m, all of which were used to finance the Capital Programme in year.
- The significant items in each of the primary financial statements.
- The preparation of Group Accounts incorporating the Councils two wholly owned companies – the Unity Partnership Ltd. And MioCare Community Interest Company.
- The performance of the Finance Team in closing the accounts.

The presentation of the audited Statement of Accounts provided the Audit Committee members with the opportunity to review the Council's Statement of Accounts and any amendments made to date as a result of the audit process and following the conclusion of the period for public inspection. The public inspection period had closed on 10 July 2020 with no objections received by the Council or the External Auditors. The Accounts were presented at Appendix 1 to the report.

The Committee were advised that at the time of the Committee papers being issued, the audit, although substantially complete, required the resolution of an outstanding item related to the Council's investment in the Manchester Airport Holdings Limited. The External Auditors also had to have assurance with regard to the audit of the Greater Manchester Pension Fund (GMPF). The GMPF assurance work had not yet been concluded.

The Committee were advised that the Final Accounts had been prepared under challenging circumstances. The main outstanding issues were not under the control of the Council and would be resolved as soon as possible.

The changes to the Final Accounts was referenced at Appendix 2 to the report, which included the Pension Fund measurement, pension reserve statement linked to two subsidiaries and some transactions which had been incorrectly identified. A lease note had been added for this first time which aided improved transparency. Changes also included amendments to classifications on disclosure of financial interests, updated Clinical Commissioning Group outturn information and minor alterations to the narrative to the accounts.

It was noted that given the challenging position of the Council and local government that the Committee be provided with appropriate information and how the Council was dealing with the challenges. Use of reserves would be minimised and reports would be brought to the committee which outlined relevant matters.

Members asked about the £17m reduction in pension liability and were informed that the first report had contained draft estimates with valuation assumptions from January. A further revised based on the position at the end of March found that the actual figure was better than forecast and, even though there was only a slight percentage change in assumptions, given the size of the pension liability, the change had resulted in a revision to the valuation which required an adjustment to the accounts.

Members asked about the challenges in the preparation of the accounts and were informed that the collation of information had been harder with information held on laptops as well as paper documents held in offices. It has been more challenging to only work on laptops without the ability to print reports and working papers for checking.

Members sought a change to the recommendation in the report to include the accounts be approved subject to any major amendments or changes being brought to the attention of the Committee. Members moved and seconded the following amended recommendation which was agreed:

“The Audit Committee delegate the approval of the final accounts to the Vice Chair of the Audit Committee in conjunction with the Director of Finance aligned to the advice of the External Auditor and subject to a report to the September meeting of the Audit Committee detailing the updated audit position.”

**RESOLVED that:**

1. The Council’s Statement of Accounts for 2019/20 be noted.
2. The Management Letter of Representation be noted.
3. The approval of the Council’s Statement of Accounts be delegated to the Vice Chair of the Audit Committee in conjunction with the Director of Finance aligned to the advice of the External Auditor subject to a report to the September meeting of the Audit Committee detailing the updated audit position.

The meeting started at 6.00 pm and ended at 7.35 pm

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**Oldham**  
Council

## Report to Audit Committee

# 2019/20 Annual Statement of Accounts

**Portfolio Holder:** Councillor Abdul Jabbar MBE – Deputy Leader and Cabinet Member - Finance and Green

**Officer Contact:** Anne Ryans – Director of Finance

**Report Author:** Lee Walsh – Finance Manager (Capital and Treasury)  
**Ext. 6608**

**10 September 2020**

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### Reason for Decision

The Audit Committee is charged with scrutiny and approval of the Statement of Accounts. This report presents an update on the progress of the auditing and approval of the 2019/20 Statement of Accounts.

### Executive Summary

Members will recall that at the last meeting of the Audit Committee on 21 July 2020, the Statement of Accounts were presented to Committee for approval. It had initially been expected that the External Auditor would have completed the audit by the time of the meeting, but prior to the issue of the agenda papers it was realised that although the audit of the Accounts was substantially complete, there were still some outstanding items. These items were not expected to have a significant impact on the final position.

It was therefore agreed that the Committee would delegate the final approval of the Council's Statement of Accounts (once there has been a satisfactory resolution to the outstanding items) to the Vice Chair of the Committee and the Director of Finance on receipt of the advice of the External Auditor that all matters had been satisfactorily concluded.

The External Auditor, in a report elsewhere on the agenda, advises that the audit is still not complete but that the expectation is that final elements of the work will be concluded and there will be the provision of the audit report during September 2020.

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## Recommendations

It is recommended that the Audit Committee:

- a) Notes the progress on the audit of the Accounts
- b) Confirms 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.

**1 Background**

- 1.1 The Council is required to prepare a Statement of Accounts for each financial year. The accounts must be prepared in accordance with statutory timelines and accounting practices. Since 2010/11 those accounting practices have been based on International Financial Reporting Standards (IFRS) which attempt to facilitate the production of accounts in a standardised and consistent format across the public and private sectors giving greater transparency for stakeholders.
- 1.2 These accounting practices are set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) 2019/20 Code of Practice on Local Authority Accounting in the UK and any additional CIPFA guidance such as the year end Final Accounts Bulletins. Members of the Audit Committee can be assured that the accounts were prepared so that all the requirements of the Code have been complied with.
- 1.3 For 2019/20 the requirements and timeline for the approval of a Local Authority's Statement of Accounts as set out in the Accounts and Audit Regulations 2015 have been revised. It was recognised by the Government that the COVID-19 pandemic would have an impact on the ability of Councils to comply with the statutory deadlines. Therefore, after consultation with key stakeholders, the Ministry of Housing, Communities and Local Government (MHCLG) introduced the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 which have amended the Accounts and Audit Regulations 2015. The regulations implementing these measures were laid on 7 April and are came into force on 30 April 2020.
- 1.4 The impact on deadlines and timescales is as follows:
- the publication date for final, audited, accounts has moved from 31 July for Category 1 Authorities and 30 September for Category 2 Authorities to 30 November 2020 for all Local Authority bodies (Oldham Council is a Category 1 body).
  - To give Local Authorities more flexibility, the requirement for the public inspection period to include the first 10 working days of June (for Category 1 Authorities) and July (for Category 2 Authorities) has been removed. Instead Local Authorities must commence the public inspection period on or before the first working day of September 2020.
- 1.5 This means that draft accounts must be approved by 31 August 2020 at the latest or may be approved earlier, wherever possible.
- 1.6 For this year 2019/20, Authorities had to publish the dates of their public inspection period, providing a public notice on their websites when the public inspection period would usually commence, explaining why they are departing from normal practice for 2020. The Council published such a notice.
- 1.7 The legislation requires that following the conclusion of a 30-day period of public inspection the Council must submit the Statement of Accounts for consideration and approval to Committee or by Members meeting as a whole. For Oldham, the body designated to receive the accounts is the Audit Committee.
- 1.8 The public inspection period for the 2019/20 Statement of Accounts began on 1 June 2020 and concluded on 10 July 2020. The Council received no objections to the Statement of Accounts.

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## 2 Current Position

- 2.1 The Council submitted its draft financial statements to the External Auditors, Mazars LLP, on 31 May 2020 which was a little later than expected due to the impact of the pandemic. However, it must be noted that this was within the original statutory deadline of 31 May 2020. The public inspection period began on 1 June and concluded on 10 July 2020.
- 2.2 In line with good practice, the draft Statement of Accounts was issued to Audit Committee members. There was a high level summary of the 2019/20 outturn and a progress update presented at the Audit Committee of 4 June 2020. The accounts were presented for review at the Audit Committee meeting of 23 June 2020. This gave members of the Audit Committee the opportunity to consider the key issues and ask officers and the External Auditor any relevant questions. All matters raised were addressed at the meeting to the satisfaction of the Committee.
- 2.3 The accounts were presented to the Audit Committee for approval on 21 July 2020 when it was initially expected that the External Auditor would have completed the audit. Prior to the issue of the agenda papers it was realised that the audit of the Accounts was substantially complete, but there were still some outstanding items. The Council understood these to be 2 items as follows:
- a) The Input level in fair value hierarchy of Manchester Airport Holding Limited (MAHL) of the valuation. This matter had not been resolved due to additional discussions required with the Council's external advisors (BDO) and the external auditors.
  - b) Before Mazars could finalise the audit of the Council's pension fund liability they have to have assurance with regard to the audit of the Greater Manchester Pension Fund (GMPF). The GMPF assurance work had not concluded.
- 2.4 As it was accepted that the outstanding matters involved external organisations and it may not have been possible to resolve matters by the meeting of 21 July, the recommendation of the report to the Committee was that it considered the accounts but delegated the final approval of the Council's Statement of Accounts (once there has been a resolution to the two items) to the Vice Chair of the Audit Committee and the Director of Finance on receipt of the full agreement of the External Auditor. The Committee approved the recommendation.
- 2.5 The External Auditor is required to present an Annual Audit Completion Report (ACR) and Value for Money (VFM) Conclusion. A draft report was presented to the Committee at the 21 July meeting and showed a number of areas of audit work still to complete. It had been anticipated that by the time of the meeting, except for the items above, all other outstanding audit items would have been completed. Unfortunately, this was not the case and a range of matters still required resolution at the time of the meeting. Assurances were given to the Committee by the Auditor that there was unlikely to be any significant impact arising from the outstanding matters, but that there was still more work to be completed.
- 2.6 The ACR highlighted the areas as still outstanding at 21 July. These are shown in the table below, together with their current status. An Audit Progress Report is included elsewhere on the agenda which updates Members as to the current position. It is important to note that the one area still to complete is outside the control of the Council.

Audit Area	Status at 21 July 2020	Current Status
Valuation of Property, Plant and Equipment	Final stages of testing the Councils valuation of land and buildings	Completed
Valuation of Heritage Assets	Final stages of testing the Councils valuation of heritage assets	Completed
Valuation of investment properties	Awaiting assurance from the external valuation expert on the Councils valuation of its lease of land to Manchester Airport	Completed
Valuation of Investments	Concluding consideration of the Councils categorisation of the Long Term investment in Manchester Airport	Completed
	Third party confirmation of the balance for one of the Councils investments	Completed
Short Term Debtors Valuation of Pension Liabilities	Waiting evidence to conclude testing of the Councils calculation of its impairment of debtors	Completed
Valuation of Pension Liabilities	Completing the final elements of the testing of the Council's and subsidiaries net Pension Liabilities	To conclude when the assurance below is received
	Awaiting the assurance letter from the Greater Manchester Pension Fund following completion of their audit	Still to conclude
Provisions, Contingent Assets & Contingent Liabilities	Completing testing on the compliance of the disclosed provisions and contingent assets & liabilities with accounting standards	Completed
Signed final statements and signed Management Letter of Representation	To complete the final review of the financial statements to confirm all expected changes have been made, upon receipt of the signed version of the accounts and letter of representation	To conclude when all outstanding matters are completed

2.7 The Auditor expects all outstanding matters to have concluded during September. As such, the Committee is asked to confirm that it is content to leave the existing delegation in place so that accounts can be approved by the Vice Chair of the Audit Committee and the Director of Finance on receipt of advice from the External Auditor that all outstanding matters are resolved. It is important to note that there have been no changes to the accounts since the meeting of the Committee on 21 July 2020 so Members have received the most up to date documentation at this point.

2.8 A further update report will be presented at the next Audit Committee meeting.

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### 3 **Options/Alternatives**

- 3.1 The Audit Committee members can either choose to accept the recommendations in the report or suggest an alternative.

### 4 **Preferred Option**

- 4.1 The preferred option is that Audit Committee accepts the recommendations in the report.

### 5 **Consultation**

- 5.1 Consultation has taken place with the Council's External Auditors, Mazars LLP, in addition members of the public have the opportunity to inspect the Council's Statement of Accounts and supporting documents during the 30-day public inspection period which concluded on 10 July 2020.

- 5.2 A high-level summary of the provisional outturn position and an update on the preparation of the Council's draft Statement of Accounts for the financial year 2019/20 was presented to the Audit Committee meeting of 4 June 2020. The draft Statement of Accounts was reviewed at the Audit Committee meeting of 23 June 2020 and was a key element of the consultation process. The draft Statement of Accounts was again presented to the Audit Committee on 21 July 2020. The update on the progress of the audit provides Members with further information about the timeline for the approval of the accounts.

### 6 **Financial Implications**

- 6.1 Dealt with in the body of the report.

### 7 **Legal Services Comments**

- 7.1 There are no Legal implications.

### 8 **Co-operative Agenda**

- 8.1 Improving the quality and timeliness of the financial information available to citizens of Oldham supports the cooperative ethos of the Council.

### 9 **Human Resources Comments**

- 9.1 There are no Human Resource implications.

### 10 **Risk Assessments**

- 10.1 There are no risk implications as a result of this report.

### 11 **IT Implications**

- 11.1 There are no IT implications as a result of this report

### 12 **Property Implications**

- 12.1 There are no Property implications.

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13 **Procurement Implications**

13.1 There are no Procurement implications.

14 **Environmental and Health and Safety Implications**

14.1 There are no Environmental and Health & Safety implications as a result of this report.

15 **Equality, Community Cohesion and Crime implications**

15.1 There are no Equality, community cohesion and crime implications.

16 **Equality Impact Assessment Completed?**

16.1 Not Applicable

17 **Key Decision**

17.1 No

18 **Key Decision Reference**

18.1 Not Applicable.

19 **Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref:	Background Papers were provided at the Audit Committee meeting of 21 July 2020
Officer Name:	Lee Walsh
Contact No:	0161 770 6608

20 **Appendices**

20.1 None

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**Report to Audit Committee**

## **External Audit Progress Report**

**Portfolio Holder:** Cllr Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Green/ MAZARS

**Officer Contact:** Anne Ryans, Director of Finance/ MAZARS

**Report Author:** Mark Stenson, Head of Corporate Governance / MAZARS

**Ext.** 4783

**10 September 2020**

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### **Reason for Decision**

To present to the Audit Committee, the Audit Progress Report for September 2020 (attached at Appendix One) produced by our external auditor Mazars.

### **Executive Summary**

The report presents to the Council the key information that the external auditor feels appropriate to bring to your attention.

### **Recommendation**

It is recommended that the Audit Committee notes the Audit Progress Report.

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# Appendix One

## External Audit Progress Report September 2020

# Audit Progress Report

Oldham Metropolitan Borough Council

September 2020





## CONTENTS

1. **Audit progress**
2. **National publications**

This document is to be regarded as confidential to Oldham Metropolitan Borough Council. It has been prepared for the sole use of the Audit Committee. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

# 1. AUDIT PROGRESS

## Purpose of this report

This report provides the Audit Committee with an update on progress in delivering our responsibilities as your external auditors.

## Audit progress

With regards to our external audit of Oldham Metropolitan Borough Council, since the last Committee meeting:

- We have continued to progress our completion of the audit of the Council's financial statements. In particular we have completed the following items that were noted as outstanding in our draft Audit Completion Report issued to the last Audit Committee meeting:
  - 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.
  
- We have held ongoing liaison discussions with Council officers on the remaining outstanding items, which are:
  - Resolution of final queries on the valuation of the Council's Pension Fund liability including receipt of audit assurance from the auditor of GM Pension Fund once the Fund external audit is completed.
  - Receipt of the final signed management representation and final signed financial statements.

The Council has made some further minor, non-material, adjustments to the disclosures in the financial statements but none of these impacted on the reported financial position or results for the year.

We expect to complete the final elements of the work and provide our audit report during September 2020.

There are no additional matters to report to the Audit & Governance Committee relating to our 2019/20 external audit.

## 2. NATIONAL PUBLICATIONS

	Publication/update	Key points	Page
<b>National Audit Office</b>			
1	<b>Managing PFI assets and services as contracts end</b>	Information on managing PFI contracts as they come to an end	5
2	<b>Whole of Government Accounts 2018-19</b>	Published version of WGA for the previous year	5
3	<b>Guide for Audit and Risk Committees on Financial Reporting and Management during COVID-19</b>	Practical guide for Audit Committees	5
<b>CIPFA</b>			
4	<b>Code of Practice on Local Authority Accounting in the United Kingdom 2020/21</b>	Code of Practice for the Financial Statements 2020/21	6
5	<b>Delivering Outcomes in the Public Sector</b>	Practical guide to assist public sector organisations	6

## 2. NATIONAL PUBLICATIONS – NATIONAL AUDIT OFFICE

### 1. Managing PFI assets and services as contracts end, June 2020

The NAO have published a report providing information on managing PFI contracts as they come to an end and considering whether government is making appropriate preparations to manage the expiry of PFI contracts. There are currently over 700 operational PFI contracts in place in the UK with a capital value of £57 billion. This study focusses on the 571 English PFI contracts, excluding those for which devolved governments are responsible.

The purpose of the report is to draw out the challenges and best practice that can most benefit those managing PFI contracts coming to an end. NAO identify illustrative examples from specific PFI contracts, and provide helpful prompts to draw the reader's attention to some of the potential risk's authorities may face, enabling preventative steps to be considered.

In the report, NAO examines:

- the background to PFI, the contracts which are due to expire, and the roles and responsibilities of key stakeholders;
- the skills and capabilities of authorities for the expiry process and aspects of day-to-day management of the contracts relevant for the preparation process; and
- the preparation for and delivery of contract expiry.

<https://www.nao.org.uk/report/managing-pfi-assets-and-services-as-contracts-end/>

### 2. Whole of Government Accounts 2018-19, July 2020

The Whole of Government Accounts consolidates the accounts of over 9,000 public sector bodies, including central and local government and public corporations such as the Bank of England, to provide the most complete and accurate picture of the UK's public finances.

<https://www.nao.org.uk/report/whole-of-government-accounts-2018-19/>

### 3. Guide for Audit and Risk Committees on Financial Reporting and Management during COVID-19, June 2020

Audit and risk committees are integral to the scrutiny and challenge process. They advise boards and accounting officers on matters of financial accountability, assurance and governance, and can support organisations, providing expert challenge, helping organisations focus on what is important, and how best to manage risk.

Each organisation will have existing risk management processes in place, but risk appetite may have changed as a result of COVID-19, for the organisation to operate effectively and respond in a timely manner. This may result in a weakening of controls in some areas, increasing the likelihood of other risks occurring. Organisations will need to consider how long this change in risk appetite is sustainable for.

This guide aims to help audit and risk committee members discharge their responsibilities in several different areas, and to examine the impacts on their organisations of the COVID-19 outbreak, including on:

- annual reports;
- financial reporting;
- the control environment; and
- regularity of expenditure.

The guide may also be used as organisations and audit and risk committees consider reporting in the 2020-21 period when more specific and detailed reporting on the outbreak will be required.

<https://www.nao.org.uk/report/guidance-for-audit-and-risk-committees-on-financial-reporting-and-management-during-covid-19/>

## 2. NATIONAL PUBLICATIONS – CIPFA

### 4. Code of Practice on Local Authority Accounting in the United Kingdom 2020/21, July 2020

This code is prepared under International Financial Reporting Standards (IFRS), which have been adopted as the basis for public sector accounting in the UK. The 2020/21 Code has been developed by CIPFA/LASAAC and has effect for financial years commencing on or after 1 April 2020.

<https://www.cipfa.org/policy-and-guidance/publications/c/code-of-practice-on-local-authority-accounting-in-the-united-kingdom-202021>

### 5. Delivering Outcomes in the Public Sector, August 2020

Delivering Outcomes in the Public Sector is practical guidance for anyone with a role or interest in improving public services and ensuring that public money is directed towards meeting the needs of citizens. It uses an outcomes approach to address challenges in public spending.

Outcomes are a way of defining effectiveness, or benefits, but in order to assess value for money, practitioners need to consider costs as well as benefits. Political judgement is also required to determine spending priorities depending on the relative importance of different outcomes.

The rationale for an outcomes approach – a way of thinking and working that focuses on things that customers value – seems self-evident, but public sector organisations face significant challenges in:

- translating outcomes into measurable indicators of performance
- assessing the impact that a particular service or programme has on outcomes.

This guidance provides advice about how to navigate these challenges and avoid the various pitfalls that can trap the unwary. Key points are illustrated with examples that give a real insight into the detailed work required to plan and implement an outcomes approach.

<https://www.cipfa.org/policy-and-guidance/publications/d/delivering-outcomes-in-the-public-sector>

## CONTACT

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## Report to Audit Committee

## Update on Audit Matters

**Portfolio Holder:** Cllr Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Green

**Officer Contact:** Anne Ryans - Director of Finance

**Report Author:** Mark Stenson - Head of Corporate Governance

**Ext.** 4783

**10 September 2020**

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### Reason for Decision

This report sets out the plan to:

- a) Recruit an Independent Chair to the Audit Committee
- b) Tender for one provider of external audit for Housing Benefit Subsidy grant claims, certification of pensions contributions for the Teachers' Pension Agency, the accounts of The Unity Partnership Ltd. and the MioCare Group Community Interest Company.

### Executive Summary

The three recruitment exercises for an Independent Chair of the Audit Committee during the period 2018, 2019 and 2020 have not attracted a suitable shortlist. This was despite placing a national advert with the Chartered Institute of Public Finance and Accountancy for the third advert. With the present uncertainty around COVID it is proposed to defer the next effort at recruitment until 2021.

At present there are three separate external auditors providing external audit to the 100% Council owned companies (The Unity Partnership Ltd and the MioCare Group Community interest Company) and for the certification of the specific grant and pension contributions returns (Housing Benefit Subsidy grant claim and Teachers' Pension Agency return). During September it is planned to undertake a tender exercise to appoint one auditor for this work.

---

## **Recommendation**

Members approve the planned approach to recruit an Independent Chair and note the planned tender for external audit to appoint one external auditor.

**Update on Audit Matters****1 Background**

- 1.1 At present the Audit Committee is overseen by the Vice Chair who has been appointed from amongst the Elected Members. The position of the Chair is reserved for an Independent Appointment. The three recruitment exercises for an Independent Chair of the Audit Committee during the period 2018, 2019 and 2020 have not attracted a suitable shortlist. This was despite placing a national advert with the Chartered Institute of Public Finance and Accountancy for the third advert. (a copy of a previous advertisement is attached at Appendix 1 for reference). Although the importance of recruiting an independent Chair is recognised, it is proposed, due to the challenges arising from the COVID-19 pandemic, to defer advertising again until an appropriate time in 2021.
- 1.2 There are three separate external auditors appointed by the Council in respect of the 100% owned companies and specific grant audits as detailed below:
- The MioCare Group Community interest Company (CIC) is audited by Grant Thornton UK LLP
  - The Unity Partnership Ltd. is audited by Mazars LLP
  - The Housing Benefit Subsidy grant claim and pensions contributions return for the Teachers' Pension Agency are audited by KPMG LLP
- 1.3 The appointment of the external auditors to the two companies can continue indefinitely. However, the appointment of the auditor for the specific grants/pension contributions was via a procurement arrangement with other Greater Manchester Councils and ended at the end of 2019/20 financial year with the option to extend for a further year. The Council is proposing to use the end of this assignment to undertake a procurement for one external auditor.
- 1.4 The 100% owned companies now use the Council systems to support the production of their accounts. As such it is now felt an appropriate time to appoint one external auditor as they are effectively auditing similar systems.

**2 Recruitment of Audit Committee Chair**

- 2.1 The Council has approval to appoint an Independent Chair to the Audit Committee. It is proposed now, at an appropriate time in 2021, to undertake an exercise to appoint this Chair.

**3 Tender for External Audit Services**

- 3.1 The Council is proposing, with the support of its Procurement Team, to undertake an exercise to tender for one external audit provider for the 100% owned companies and the external grant/pensions return requiring audit. It is planned to issue the invitation to tender in September with the selection planned for October, so the appointment can be made by early November. This will support the audit of the accounts of the MioCare Group CIC, which, with effect from 1 April 2021, will operate a financial year that aligns with that of the Council and The Unity Partnership Ltd (it has previously operated a financial year from 1 January to 31 December but will transition during 2020/21 to a new reporting period).

---

## 4 **Way Forward**

4.1 It is recommended that the Council:

- Recruits an Independent Chair
- Undertakes an exercise to appoint one external auditor to its 100% owned companies and grant claim/pensions contribution return requiring auditing.

## 5 **Options/Alternatives**

5.1 The options are that the Council can:

- a) Agree the way forward as set out in this report
- b) Continue with the current arrangements for the Vice Chair to oversee the Audit Committee and the continued appointment of different External Auditors for grant/pension contributions audits and the audit of external companies.

## 6 **Preferred Option**

6.1 The preferred option is as presented at 5.1 (a), the Audit Committee approves the recruitment of the Independent Chair and the proposed tender for one external auditor for grant/pension contributions audits and the audit of external companies.

## 7 **Consultation**

7.1 There has been recent discussion with the Vice Chair of the Audit Committee, officers of The Unity Partnership, the MioCare Group CIC and Council officers. Members of the Audit Committee have previously been consulted on proposals to recruit an Independent Chair of the Committee.

## 8 **Financial Implications**

8.1 The cost of external audit will be met by the 100% owned companies for their audit. The grant audit will be borne by the Council. The overall value of the audit is estimated to be over £60,000. It is anticipated appointing one external auditor will result in savings (Anne Ryans)

## 9 **Legal Services Comments**

9.1 N/A.

## 10 **Cooperative Agenda**

10.1 N/A.

## 11 **Human Resources Comments**

11.1 N/A.

## 12 **Risk Assessments**

12.1 N/A.

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13 **IT Implications**

13.1 N/A.

14 **Property Implications**

14.1 N/A.

15 **Procurement Implications**

15.1 N/A.

16 **Environmental and Health & Safety Implications**

16.1 N/A.

17 **Equality, community cohesion and crime implications**

17.1 N/A.

18 **Equality Impact Assessment Completed?**

18.1 None.

19 **Key Decision**

19.1 N/A.

20 **Forward Plan Reference**

20.1 N/A.

21 **Background Papers**

21.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref:	Officer Name:	Mark Stenson
Contact No:	0161 770 4783	

22 **Appendices**

22.1 Appendix 1 – Advertisement for the Role of Independent Chair of the Oldham Council Audit Committee

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### **Appointment: Independent Chair of Audit Committee Oldham Council**

This is an exciting opportunity for someone to join Oldham Council's Audit Committee, as its Chair, to support the Director of Finance in discharging her statutory responsibilities and proactively promoting good governance and effective control at the Council. You would be required to attend four/five meetings a year, most of which start at 6:00pm, but occasionally during the working day. The current remuneration for which is £2,106 per annum.

The Audit Committee provides independent assurance to the Council on the effectiveness of the Council's governance, financial management, risk management and internal control arrangements. It provides a key role in providing constructive challenge across the organisation and it approves the Council's financial statements.

Therefore, the Council is seeking to recruit someone who is able to facilitate and lead meetings and promote the efficient operation of the Committee, ensure that Members work together effectively and enable the proper conduct of business.

The Chair of the Audit Committee should take particular care that all Members of the Audit Committee observe the principles of behaviour in public life (the "Nolan Principles"), which embrace selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

As the Chair, you should have a financial, accountancy, risk-management or audit background and have experience in corporate governance, ideally in the public sector. The Council is specifically looking for people with skills and knowledge in the following areas:

- risk management
- treasury management
- audit governance
- strong financial literacy

You should also:

- be a proactive leader with the ability to act with independence, confidence and integrity
- be a good listener and communicator with strong facilitation skills
- have time to develop and closely monitor the Audit Committee agenda

It would be an advantage (but not essential) that you have a working knowledge of Audit Committee functions.

Applicants must be over the age of 18, be able to attend meetings at Oldham Council, and have not been Elected Members or employees of Oldham Council, or its wholly owned companies, in the last five years. Applicants must remain independent from the organisation and any political party,

To read minutes from previous meetings of the Audit Committee and to gain an understanding of what the role entails, please click:

<http://decisionrecording.oldham.gov.uk/ieListMeetings.aspx?CId=134&Year=0>

If you require further information on the role, please contact either Anne Ryans, Director of Finance on 0161 770 4902 or Mark Stenson, Head of Corporate Governance on 0161 770 4783, for an informal discussion.

If you wish to apply to join the Oldham Council Audit Committee, please submit your application explaining why you think you would be suitable for this position no later than (the agreed date)

**Please note:**

**Recruitment normally through our website but this also links in to the Indeed Jobs website.**

**Proposed Audit Committee Work Programme for 2020/21**

Meeting Date & Venue	Agenda Item	Summary of Report Issue
<b>Thursday 10 September 2020, 6.00pm.</b>	2019/20 Statement of Final Accounts.	This is a progress report on the updated financial position as per the Statement of Final Accounts.
	External Audit Progress Report August 2020.	An update produced by the External Auditor of issues to be brought to the attention of this Committee.
	Update on Audit Matters.	An update on the <ul style="list-style-type: none"> <li>• proposed external tender process to appoint one external auditor for the Councils wholly owned companies and grant claims/pension returns requiring audit; and</li> <li>• proposal to defer the recruitment of an independent chair to the Audit Committee until the calendar year 2021.</li> </ul>
	Proposed Audit Committee Work Programme for 2020/21.	This report detailing the proposed work programme to support the approval of the 2020/21 Statement of Final Accounts.
Page 37	Private Report; Update on Annual Governance Statement for 2019/20 and New Issues.	This updates the Audit Committee on key matters included within the Annual Governance Statement, the Corporate Risk Register and ad hoc matters that the Head of Corporate Governance wishes to highlight to the Audit Committee.
	Private Report; 2020/21 Internal Audit and Counter Fraud Plan.	This sets out for the Committee the planned programme of work from 1 August 2020 to 31 March 2021 following the interruption to normal working patterns caused by pandemic.
	Private Report; Business Grant Schemes Assurance Report.	This sets out the return provided to the Department of Business, Energy and Industrial Strategy about the governance processes supporting the payment of Small Business Grants and Retail, Hospitality and Leisure Business Grants provided as Emergency Support during lockdown.
	Private Report; Update on General Matters in 2020/21.	This report details key governance issues highlighted to the Committee including a public interest report issued to another local authority.

**Proposed Audit Committee Work Programme for 2020/21**

<b>Meeting Date &amp; Venue</b>	<b>Agenda Item</b>	<b>Summary of Report Issue</b>
<b>Tuesday 3 November 2020, 6.00 pm</b>	Data Protection Update until 30 September 2020.	Routine GDPR report by the Data Protection Officer as required under GDPR Legislation.
	Audit Completion Report.	Updated report to support the external audit of the 2019/20 Statement of Final Accounts.
	2019/20 Statement of Final Accounts.	This report will detail the final accounts following the production of the Audit Completion Report.
	External Audit Progress Report October 2020.	An update produced by the External Auditor of issues to be brought to the attention of this Committee.
	Progress on the Agreed Internal Audit and Counter Fraud Plan for 2020/21.	This is the routine report on the progress made against the agreed plan.
	Proposed Audit Committee Work Programme for 2020/21.	This report detailing the proposed work programme to support the approval of the 2020/21 Statement of Final Accounts.
Page 38	Private Report; Update on Internal Control Matters relating to Payroll Administration.	This updates the Audit Committee on the key internal control matters supporting the administration of the payroll system identified as a key area for improvement.
	Private Report; Follow up on Annual Governance Statement for 2019/20 and New Issues.	This updates the Audit Committee on key matters included within the Annual Governance Statement and ad hoc matters that the Head of Corporate Governance wishes to highlight to the Audit Committee.
	Private Report; Business Grants Assurance Report.	This sets out the return provided to the Department of Business, Energy and Industrial Strategy about the governance processes supporting the payment of Small Business Grants and Retail, Hospitality and Leisure Business Grants provided as Emergency Support during lockdown.
	Private Report; Update on Partnership Governance.	This is the follow up work requested by the Committee on partnership governance considering potential issues identified on governance in a public interest report issued elsewhere.
<b>Tuesday 12 January 2021, 6.00pm.</b>	Audit Strategy Memorandum	This is a report produced by the External Auditor to the Council (appointed by Public Sector Audit Appointments) which sets out the planned approach to the 2020/21 Statement of Accounts and the Value for Money opinion.

**Proposed Audit Committee Work Programme for 2020/21**

Meeting Date & Venue	Agenda Item	Summary of Report Issue
	External Audit Progress Report December 2020.	An update produced by the External Auditor of issues to be brought to the attention of this Committee.
	Audit of Housing Benefit Subsidy 2019/20	This report considers the feedback on the audit of the housing subsidy grant claim.
	Treasury Management Strategy Statement 2021/22	This sets out the Proposed Strategy for 2021/22 to support the Corporate Objectives of the Council.
	Update of Local Code of Corporate Governance to June 2021	Update of the previously agreed Local Code of Corporate Governance.
	Progress on the delivery of Agreed Internal Audit and Counter Fraud Plan for 2020/21	This is the routine report on the progress made against the agreed Internal Audit and Counter Fraud Plan.
	Update on Internal Control Matters on Council matters within Oldham Cares.	This updates the Audit Committee on the key internal control matters supporting the administration of Council funded matters within Oldham Cares and the Integration of Health.
Page 39	Update on Local Authority Financial Resilience	The Chartered Institute of Public Finance and Accountancy produce an index of Local Authority Financial Resilience and this report will detail the findings for the Council and other relevant financial resilience issues
	Proposed Audit Committee Work Programme for 2020/21	This report detailing the proposed work programme to support the approval of the 2020/21 Statement of Final Accounts.
	Private Report; Follow up on Annual Governance Statement for 2019/20 and New Issues.	This updates the Audit Committee on key matters included within the Annual Governance Statement, the Corporate Risk Register and ad hoc matters the Head of Corporate Governance wishes to highlight to the Audit Committee.
	Private Report; Update on the Corporate Risk Management Framework including the Corporate Risk Register.	This updates the Audit Committee on the implementation of the Framework previously agreed and the issues identified in the Corporate Risk Register.
	Private Report; Business Grants Assurance Report.	This sets out the return provided to the Department of Business, Energy and Industrial Strategy about the governance processes supporting the payment of Small Business Grants and Retail, Hospitality and Leisure Business Grants provided as Emergency Support during lockdown.

**Proposed Audit Committee Work Programme for 2020/21**

<b>Meeting Date &amp; Venue</b>	<b>Agenda Item</b>	<b>Summary of Report Issue</b>
<b>Thursday 25 March 2021, 6.00 pm</b>	External Audit Progress Report February 2021.	An update produced by the External Auditor of issues to be brought to the attention of this Committee.
	Audit of Teachers' Pensions Agency Return 2019/20.	This report considers the feedback following the external Audit of the Teachers' Pension Agency.
	2020/21 Proposed Accounting Policies and Critical Judgements.	In advance of the approval of the accounts an opportunity for the Audit Committee to review the Proposed Policies and Judgements for 2020/21 Statement of Accounts.
	Informing the Risk Assessment 2020/21 (Director of Finance).	This report details the questions to those charged with Governance to enable the Statement of Financial Accounts to be audited.
	Informing the Risk Assessment 2020/21 (Vice Chair of the Audit Committee).	This report details the questions to those charged with Governance to enable the Statement of Financial Accounts to be audited.
Page 40	Update on Internal Control Matters for the People and Place Directorate.	This updates the Audit Committee on the key internal control matters supporting the administration of the People and Place Directorate.
	Progress on the delivery of Agreed Internal Audit and Counter Fraud Plan for 2020/21	This is the routine report on the progress made against the agreed Internal Audit and Counter Fraud Plan.
	2021/22 Internal Audit and Counter Fraud Plan.	The proposed plan of work for the financial year 2020/21 to enable review by the Committee.
	Proposed Audit Committee Work Programme for 2020/21.	This report detailing the proposed work programme to support the approval of the 2020/21 Statement of Final Accounts.
	Private Report; Follow up on Annual Governance Statement for 2019/20 and New Issues.	This updates the Audit Committee on key matters included within the Annual Governance Statement, the Corporate Risk Register and ad hoc matters the Head of Corporate Governance wishes to highlight to the Audit Committee.
	Private Report; Business Grants Assurance Report.	This sets out the return provided to the Department of Business, Energy and Industrial Strategy about the governance processes supporting the payment of Small Business Grants and Retail, Hospitality and Leisure Business Grants provided as Emergency Support during lockdown.
<b>Thursday early June 2021, 6.00pm</b>	Data Protection Update	Routine six monthly report by the Data Protection Officer as required under GDPR.

**Proposed Audit Committee Work Programme for 2020/21**

<b>Meeting Date &amp; Venue</b>	<b>Agenda Item</b>	<b>Summary of Report Issue</b>
	External Audit Progress Report May 2021.	An update produced by the External Auditor of issues to be brought to the attention of the Committee.
	Review of System of Internal Audit by the Audit Committee	Annual Review of the system of internal audit using the balanced scorecard.
	2020/21 Annual Report by the Head of Corporate Governance	Annual Report based on the work conducted by Audit and Counter Fraud Team, Insurance/ Risk and Information Governance to determine the overall control environment of the Council.
	Annual Governance Statement 2020/21	Draft Annual Governance Statement included within the Statement of Accounts for review and scrutiny.
	2020/21 Draft Annual Statement of Accounts	Draft Statement of Accounts submitted for external audit for detailed review and scrutiny by Members.
	Internal Audit Charter 2020/21	Proposed update to the Audit Charter for 2020/21 to reflect any changes required
	Proposed Audit Committee Work Programme for 2020/21	This report detailing the proposed work programme to support the approval of the 2020/21 Statement of Final Accounts.
<b>Late July 2021, 6.00pm</b>	Audit Completion Report 2020/21	Report by the External Auditor detailing their findings from the external audit of the draft accounts submitted for audit.
	2020/21 Annual Statement of Accounts	Statement of Accounts subject to external audit for approval by the Committee.
	Review of Corporate Fraud Policies	An annual review of the Counter Fraud Suite of policies to reflect the recent legislation.
	Private Report; Senior Information Risk Officer (SIRO) Update	Annual report of the SIRO including an overview of reported data breaches.

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