

## Appendix 1

### Report to Council

# Annual Report of the Audit Committee to Council

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader / Cabinet Member for Value for Money and Sustainability

**Officer Contact:** Sarah Johnston, Director of Finance

**Report Author:** Sarah Johnston, Director of Finance

### Reason for Decision

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CIPFA's Position Statement: Audit Committees in Local Authorities and Police 2022, states that:

***To discharge its responsibilities effectively, the committee should:***

- ***report annually on how the committee has complied with the position statement, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.***

The Council's Audit Committee is a key component of this Authority's governance framework. Its function is to provide an independent review and assurance role to support good governance and sound public financial management. This report has been prepared for full Council to advise of the work undertaken by the Committee in the financial year 2023/24 and for Council to note the views of the Committee on internal control.

### Executive Summary

To discharge its role, the Audit Committee met on seven separate occasions during the municipal year 2023/24 undertaking the work detailed in this report.

The Committee's annual work programme is built around its responsibilities for corporate governance, internal audit, external audit, risk management, fraud and corruption, Treasury Management, and the review of the annual Statement of Accounts. This report summarises the work undertaken by key programme area for the financial year 2023/24.

This report is to inform Members of the work of the Audit Committee in the previous financial year and to report on the Committee's assessment of its own effectiveness against the CIPFA Position Statement and associated guidance.

**Recommendation**

That Council accepts the Annual Report of the Audit Committee.

## **Annual Report of the Audit Committee to Council**

### **1 Background**

- 1.1 The Council's Audit Committee is a key component of this Authority's governance framework. Its function is to provide an independent review and assurance role to support good governance and sound public financial management.
- 1.2 The purpose of the Committee is to provide, to those charged with governance, independent assurance on the adequacy of the internal control environment / governance processes, integrity of financial reporting and adequacy of the risk and information management framework.
- 1.3 To discharge its role, the Audit Committee met on seven separate occasions during the municipal year 2023/24 undertaking the work detailed in this report.

### **2 Work of the Committee during 2023/24 in accordance with the Committee's Terms of Reference**

- 2.1 The Committee's work programme was built around its responsibilities for corporate governance, internal audit, external audit, risk management, fraud and corruption, Treasury Management, Information Governance, and the review of the annual Statement of Accounts.
- 2.2 The paragraphs below outline the work undertaken in each of the key areas of responsibility.

#### **Statement of Accounts**

- 2.3 The Council produced its draft Statement of Accounts for the financial year 2022/23 for submission to the External Auditor on 31st May 2023. The accounts were considered by the Audit Committee at its meeting on 27 June 2023. Whilst not a statutory requirement for the Audit Committee to review the draft Statement of Accounts it is considered good practice that appropriate scrutiny occurs at this stage. It provides Members with the opportunity to ask detailed questions and seek assurances before the accounts are finalised.
- 2.4 Many local Authorities across the UK are experiencing significant delay in the completion of both their annual financial statements and the associated audit work in connection with those statements. Whilst Oldham submitted its latest 2023/24 annual financial statements to its external auditor one week beyond the deadline, the Council remains in a significantly better position than many others.

#### **Audit Completion Report**

- 2.5 At its meeting on 26 March 2024 the Audit Committee considered the Auditor's Annual Report produced by the External Auditor to the Council (Mazars LLP) which set out the draft findings of the audit of the 2022/23 Statement of Accounts. Overall, the findings of the External Auditor continue to be positive, including the value for money judgement, as per previous financial years, reflecting the good practice adopted by Oldham in preparing its accounts and in its stewardship of public funds.

#### **Reserves Policy**

- 2.6 Linked into the approval of the Final Accounts and the ongoing financial resilience of the Council, the Audit Committee reviewed the proposed Reserves Policy at its meeting on 27 June 2023. The Audit Committee considered and approved the Reserves Policy.

## **Annual Governance Statement and Local Code of Corporate Governance**

- 2.7 The main purpose of the Annual Governance Statement (AGS) is to provide the necessary assurance that a reliable framework is in place for the financial year that aligns to the Statement of Accounts. A separate report on the Annual Governance Statement for 2022/23 was presented alongside the draft Statement of Accounts at the meeting on 27 June 2023. Throughout the municipal year updates were submitted to the Committee outlining the progress made on the key issues for improvement that had been identified and whether there were further issues to inform the production of the AGS for 2023/24. The Annual Governance Statement complies with the framework set out in the Chartered Institute of Public Finance and Society of Local Authority Chief Executives (CIPFA/SOLACE) guidance. The conclusion supported by the work of the External Auditor was that the statement meets the requirement set out in the CIPFA/SOLACE guidance.
- 2.8 The Committee also reviewed the Local Code of Corporate Governance at its meeting on 8 June 2023. It is considered good practice to review the Code as a minimum every two years.

## **Partnership Governance**

- 2.9 An emerging challenge for all Councils to consider is whether they have appropriate oversight, from a governance perspective, over the partnerships in which they have a financial and operational interest. There have been several matters reported in the public domain which has highlighted that in other public bodies those charged with the provision of this oversight have not fully understood the risk. The Audit Committee therefore considered reports on 8 June 2023 and 5 September 2023 on the wider risks from entities in which the Council has an interest.

## **Internal Audit and Annual Report of the Chief Internal Auditor**

- 2.10 The Internal Audit service was provided in-house during 2023/24 with specialist support from Salford City Council for computer audit. The Committee received regular quarterly updates on Internal Audit and Counter Fraud progress, and an update to the Audit Charter at its meeting on 26 March 2024. At its meeting on 27 June 2023, it reviewed the system of internal audit for the financial year 2022/23 in line with good practice. In accordance with expected professional standards, which requires a review of the Internal Audit Service every five years, CIPFA were commissioned to undertake an External Quality Assurance review which was completed in March 2023. This reviewed whether Internal Audit Practices adopted by the Service in Oldham conformed with the requirements of the Public Sector Internal Audit Standard. The outcome, which was reported in the municipal year 2023/24 was that the Service "Generally Conforms to the Standard". As such the work undertaken by internal audit is in line with best practice as "Generally Conforms to the Standard" is the highest rating.
- 2.11 At the meeting which considered the draft Statement of Accounts on 27 June 2023, the Audit Committee considered the Annual Report of the Head of Audit for 2022/23. This highlighted that the overall control environment was adequate during 2022/23. The report did however highlight the challenges associated with the internal control environment in Social Care and Payroll.

## **Treasury Management**

- 2.12 Recent corporate failings of other local authorities reported in the public domain have identified the importance of appropriate independent scrutiny of Treasury Management which is therefore a key task of the Audit Committee. In line with recently updated best practice the

Audit Committee now receives quarterly, as opposed to half yearly, reports on Treasury Management.

### **Senior Information Risk Owner (SIRO)/ Information Governance**

- 2.13 Another key role in the Governance Framework is the SIRO who considers the Council’s risks in relation to information governance and when information is disclosed, often inadvertently, to an individual who has no right to access that data. This role is undertaken by the Director of Finance who submits a half yearly report to the Audit Committee detailing breaches.

### **Risk Management**

- 2.14 The Audit Committee reviewed the Council’s risk management arrangements during the year. Effective risk management can have a major impact on the successful achievement of the objectives, policies, and strategies of the Authority. In particular, the Audit Committee concentrated on reviewing the Corporate Risk Register.

### **3 Audit Committee self-assessment and review of its own effectiveness.**

- 3.1 CIPFA’s Position Statement: Audit Committees in Local Authorities and Police 2022, contains two self-assessment questionnaires for the Committee to complete each year to assist the Committee in conducting a self-assessment of the Committee’s own effectiveness.
- 3.2 Members of the Committee met with the Head of Internal Audit and Counter Fraud on 6 March 2024 in order to discuss and complete these self-assessment tools, and to develop an action plan to improve the effectiveness of the Committee over the coming municipal year.
- 3.3 The completed questionnaires are reproduced as Annexes 1 and 2 to this report. The outcome of the self-assessment is very positive, with the Committee able to demonstrate high levels of adherence to best practice (Annex 1) and high levels of effectiveness (Annex 2). Areas where potential improvements have been identified are highlighted in yellow, and associated actions to implement improvements are noted in the annexes.
- 3.4 A summary of the actions identified for the Committee to take forward during the year is shown in the table below:

#### **Audit Committee Effectiveness Review 2023/24 – Action Plan for improvement.**

<b>No.</b>	<b>Action</b>
1	Explore opportunities to liaise across Greater Manchester with other Local Authority Audit Committee Chairs to share knowledge and experience as required.
2	Review protocol for inviting Officers to appear at Audit Committee.
3	Committee to receive reports for information on results from other assurance providers, e.g. Ofsted, CQC etc.
4	Committee to meet privately with both Internal and External Auditors during 2024/25.
5	Review plain English induction sheet for new Members outlining the role and functions of the Committee based on the Committee’s Terms of Reference.

6	A self-assessment of Member skills and knowledge based on the Committee's Terms of Reference to be circulated and completed and utilised to identify additional Member training and development needs.
7	Update the Committee's Terms of Reference to make explicit, rather than implicit, reference to the Committee's role in reviewing the Council's ethical framework as part of its review work in connection with the Council's wider governance arrangements.
8	Seek feedback from the Cabinet Portfolio Holder and Council following presentation of the Committee's annual report to full Council.

3.5 These actions will be taken forward during 2024/25 and their implementation reviewed as part of the Committee's subsequent annual review process.

#### **4 Options**

4.1 There are two options as follows:

- a) Accept the Annual Report of the Audit Committee.
- b) Reject the Annual Report of the Audit Committee and request an alternative style of report.

##### **Preferred Option**

Option (a) at 4.1 is the preferred option, that the proposed Annual Report of the Audit Committee is accepted by Council.

#### **5 Consultation**

5.1 There has been consultation with the Audit Committee on the preparation of this report.

#### **6 Financial Implications**

6.1 There are no specific financial implications arising from this report.

#### **7 Legal Services Comments**

7.1 There are no direct legal implications arising from the report.

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

8.1 The Annual Report of the Audit Committee has been prepared to support the Council in its delivery of the cooperative agenda.

#### **9 Human Resources Comments**

9.1 There are no specific human resources implications.

#### **10 Risk Assessments**

10.1 The Council is required to prepare an Annual Report on the operation of its Audit Committee. The report does not identify any specific risks to identify to full Council.

#### **11 IT Implications**

11.1 There are no specific IT implications.

## **12 Property Implications**

12.1 There are no specific property implications.

## **13 Procurement Implications**

13.1 There are no specific procurement implications.

## **14 Environmental and Health & Safety Implications**

14.1 There are no specific Environmental and Health & Safety Implications.

## **15 Equality, community cohesion and crime implications**

15.1 There is no specific equality, community cohesion and crime implications.

## **16 Equality Impact Assessment Completed?**

16.1 N/A.

## **17 Key Decision**

17.1 No.

## **18 Key Decision Reference**

18.1 N/A

## **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:

Background papers are shown as the Annexes to this report.

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## **20 Appendices**

Annex 1 - Self-assessment of good practice  
Annex 2 - Self -assessment of effectiveness

## Annex 1 - Self-assessment of good practice

This annex provides a high-level review that incorporates the key principles set out in CIPFA's Position Statement and this publication. Where an audit committee has a high degree of performance against the good practice principles, it is an indicator that the committee is soundly based and has in place a knowledgeable membership. These are the essential factors in developing an effective audit committee. A regular self-assessment should be used to support the planning of the audit committee work programme and training plans. It will also inform the annual report.

Good practice questions	Does not comply	Partially complies and extent of improvement needed			Fully complies
	Major	Significant	Moderate	Minor	None
Scoring of answers	0	1	2	3	5
Audit committee purpose and governance					
1 Does the authority have a dedicated audit committee that is not combined with other functions (e.g. standards, ethics, scrutiny)?					5
2 Does the audit committee report directly to the governing body (PCC and chief constable/full council/full fire authority, etc)?					5
3 Has the committee maintained its advisory role by not taking on any decision-making powers?					5
4 Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's 2022 Position Statement?					5
5 Do all those charged with governance and in leadership roles have a good understanding of the role and purpose of the committee?					5



6 Does the audit committee escalate issues and concerns promptly to those in governance and leadership roles?					5
7 Does the governing body hold the audit committee to account for its performance at least annually?					5
8 Does the committee publish an annual report in accordance with the 2022 guidance, including:					5
• compliance with the CIPFA Position Statement 2022.					5
• results of the annual evaluation, development work undertaken and planned improvements					5
• how it has fulfilled its terms of reference and the key issues escalated in the year?					5
Functions of the committee					
9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?					
Governance arrangements					5
Risk management arrangements					5
Internal control arrangements, including: • financial management • value for money • ethics and standards • counter fraud and corruption				3	
Annual governance statement					5
Financial reporting					5
Assurance framework					5
Internal audit					5
External audit					5
10 Over the last year, has adequate consideration been given to all core areas?					5
11 Over the last year, has the committee only considered agenda items that align with its core functions or selected wider functions, as set out in the 2022 guidance?					5

12 Has the committee met privately with the external auditors and head of internal audit in the last year?	0				
Membership and support					
13 Has the committee been established in accordance with the 2022 guidance as follows?					
• Separation from executive					5
• A size that is not unwieldy and avoids use of substitutes					5
• Inclusion of lay/co-opted independent members in accordance with legislation or CIPFA's recommendation					5
14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?			2		
15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?				3	
16 Have regular training and support arrangements been put in place covering the areas set out in the 2022 guidance?					5
17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?			2		
18 Is adequate secretariat and administrative support provided to the committee?					5
19 Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?					5
Effectiveness of the committee					
20 Has the committee obtained positive feedback on its performance from those				3	

interacting with the committee or relying on its work?					
21 Are meetings well chaired, ensuring key agenda items are addressed with a focus on improvement?					5
22 Are meetings effective with a good level of discussion and engagement from all the members?				3	
23 Has the committee maintained a non-political approach to discussions throughout?					5
24 Does the committee engage with a wide range of leaders and managers, including discussion of audit findings, risks and action plans with the responsible officers?					5
25 Does the committee make recommendations for the improvement of governance, risk and control arrangements?					5
26 Do audit committee recommendations have traction with those in leadership roles?					5
27 Has the committee evaluated whether and how it is adding value to the organisation?					5
28 Does the committee have an action plan to improve any areas of weakness?					5
29 Has this assessment been undertaken collaboratively with the audit committee members?					5
<b>Sub totals</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>12</b>	<b>170</b>

Total score is 186 out of a maximum of 200, with 7 areas of potential development identified. The proposed actions to address these areas where less than full compliance has been identified are shown in the table below:

Question	Level of Compliance	Proposed action to reach full compliance
<p>9 Do the committee's terms of reference explicitly address all the core areas identified in CIPFA's Position Statement as follows?</p> <ul style="list-style-type: none"> <li>• ethics and standards</li> </ul>	3	<p>Action – Update the Committee's Terms of Reference to make explicit, rather than implicit, reference to the Committee's role in reviewing the Council's ethical framework as part of its review work in connection with the Council's wider governance arrangements.</p>
<p>12 Has the committee met privately with the external auditors and head of internal audit in the last year?</p>	0	<p>Action – Committee to meet privately with both Internal and External Auditors during 2024/25.</p>
<p>14 Have all committee members been appointed or selected to ensure a committee membership that is knowledgeable and skilled?</p>	2	<p>Committee Membership is not based solely on skills and knowledge, political balance of the Committee is a consideration.</p> <p>Action – Develop a short, plain English induction sheet outlining the role and functions of the Committee based on the Committee's Terms of Reference.</p>
<p>15 Has an evaluation of knowledge, skills and the training needs of the chair and committee members been carried out within the last two years?</p>	3	<p>Action – A self-assessment of Member skills and knowledge based on the Committee's Terms of Reference to be circulated and completed and utilised to identify additional Member training and development needs.</p>
<p>17 Across the committee membership, is there a satisfactory level of knowledge, as set out in the 2022 guidance?</p>	2	<p>See Action above.</p>
<p>20 Has the committee obtained positive feedback on its performance from those interacting with the committee or relying on its work?</p>	3	<p>Action – Committee to seek feedback from the Cabinet Portfolio Holder and Council following presentation of annual report to full Council.</p>
<p>22 Are meetings effective with a good level of discussion and engagement from all the members?</p>	3	<p>No proposed action – Member comments and questions on all aspects of Committee business are actively sought and welcomed at each meeting and levels of engagement have been good throughout 2023/24. Inevitably some Members contribute more frequently than others.</p>



## Annex 2 – Self evaluation of effectiveness

AREAS WHERE THE AUDIT COMMITTEE CAN HAVE IMPACT BY SUPPORTING IMPROVEMENT	EXAMPLES OF HOW THE AUDIT COMMITTEE CAN DEMONSTRATE ITS IMPACT	SELF-EVALUATION BY OLDHAM COUNCIL'S AUDIT COMMITTEE AS TO HOW THE COMMITTEE DEMONSTRATES ITS IMPACT	KEY INDICATORS OF EFFECTIVE ARRANGEMENTS	SELF-EVALUATION BY OLDHAM COUNCIL AUDIT COMMITTEE OF IT'S STRENGTHS, WEAKNESSES AND PROPOSED ACTIONS
<p><b>PROMOTING THE PRINCIPLES OF GOOD GOVERNANCE AND THEIR APPLICATION TO DECISION MAKING.</b></p>	<ul style="list-style-type: none"> <li>• Supporting the development of a local code of governance.</li> <li>• Providing a robust review of the AGS and the assurances underpinning it.</li> <li>• Supporting reviews/audits of governance arrangements.</li> <li>• Participating in self-assessments of governance arrangements.</li> <li>• Working with partner audit committees to review governance arrangements in partnerships.</li> </ul>	<ul style="list-style-type: none"> <li>• The Council has a Local Code of Corporate Governance presented to the Audit Committee in June 2024.</li> <li>• The AGS and in-year updates are regularly reported to the Audit Committee.</li> <li>• Annual Audit Plan 2024/25 contains reviews of Risk Management and Standards of Conduct, Corporate Performance management, the and the Corporate Risk Register. Review of the compilation of the AGS is also planned for 2024/25.</li> <li>• The Council's ongoing self-assessment of it's Partnership Governance arrangements has previously been reported to the Committee.</li> <li>• The Committee has received reports during 2023/24 on both FPRs and CPRs</li> <li>• The Head of Audit and Counter Fraud sits on Miocare Finance Audit and Resources Committee.</li> <li>• Action - Chair to liaise across GM to share knowledge and experience as required.</li> </ul>	<ul style="list-style-type: none"> <li>• Elected members, the leadership team and senior managers all share a good understanding of governance, including the key principles and local arrangements.</li> <li>• Local arrangements for governance have been clearly set out in an up-to-date local code.</li> <li>• The authority's scrutiny arrangements are forward looking and constructive.</li> <li>• Appropriate governance arrangements established for all collaborations and arm's-length arrangements.</li> <li>• The head of internal audit's annual opinion on governance is satisfactory (or similar wording).</li> </ul>	<ul style="list-style-type: none"> <li>• Structures are generally sound. One weakness with Audit Committees generally is the length of tenure linked to electoral cycle.</li> <li>• The Council has a Local Code of Corporate Governance last presented in June 2024.</li> <li>• The Council's Scrutiny Committees have recently been restructured. Also, from the recent peer review, Action 8. Build on early progress to improve Overview and Scrutiny: <ul style="list-style-type: none"> <li>• Undertake review of capacity and structure of Constitutional Services to best support Overview and Scrutiny (March/April 2024)</li> <li>• Review Overview and Scrutiny elements of member training programme (March 2024)</li> <li>• Develop forward plan of Scrutiny items ahead of new municipal year (May 2024)</li> </ul> </li> <li>• The Partnership Dashboard Report and reports on specific partnership risk areas (e.g. Northern Roots) have been reported to Audit Committee during 2023/24.</li> <li>• Annual CAE opinion reported in June 2024 is Adequate.</li> </ul>

<p><b>CONTRIBUTING TO THE DEVELOPMENT OF AN EFFECTIVE CONTROL ENVIRONMENT.</b></p>	<ul style="list-style-type: none"> <li>• Encouraging ownership of the internal control framework by appropriate managers.</li> <li>• Actively monitoring the implementation of recommendations from auditors.</li> <li>• Raising significant concerns over controls with appropriate senior managers.</li> </ul>	<ul style="list-style-type: none"> <li>• DASS and HR Employment Services Manager have both addressed the Audit Committee during the year in relation to audit review findings.</li> <li>• Recommendation tracker has been added to the regular Internal Audit and Counter fraud progress report.</li> <li>• DASS and HR Employment Services Manager have both addressed the Audit Committee during the year in relation to inadequate opinions on audit reviews.</li> </ul>	<ul style="list-style-type: none"> <li>• The head of internal audit's annual opinion over internal control is that arrangements are satisfactory.</li> <li>• Assessments against control frameworks such as CIPFA's FM Code have been completed and a high level of compliance identified.</li> <li>• Control frameworks are in place and operating effectively for key control areas – for example, information security or procurement.</li> </ul>	<ul style="list-style-type: none"> <li>• Annual CAE opinion of Internal Control published in June 2024 is Adequate.</li> <li>• Assessment against FM code completed by CFO and presented to Audit Committee January 2022 and September 2023. A high level of compliance was identified.</li> <li>• Control frameworks are in place and operating effectively for key control areas. Where these are not currently in place the Council is working towards addressing these areas, as evidenced by the recommendation tracker and DASS and HR Employment Services Manager appearances at Audit Committee.</li> <li>• <b>Action - Review protocol for inviting Officers to appear at Audit Committee.</b></li> </ul>
<p><b>SUPPORTING THE ESTABLISHMENT OF ARRANGEMENTS FOR THE GOVERNANCE OF RISK AND FOR EFFECTIVE ARRANGEMENTS TO MANAGE RISKS.</b></p>	<ul style="list-style-type: none"> <li>• Reviewing risk management arrangements and their effectiveness, e.g. risk management maturity or benchmarking.</li> <li>• Monitoring improvements to risk management.</li> <li>• Reviewing accountability of risk owners for major/strategic risks.</li> </ul>	<ul style="list-style-type: none"> <li>• The Corporate Business Planning Process supports the production of the Corporate Risk Register. The Corporate Risk Register is reported regularly to the Audit Committee.</li> </ul>	<ul style="list-style-type: none"> <li>• A robust process for managing risk is evidenced by independent assurance from internal audit or external review.</li> </ul>	<ul style="list-style-type: none"> <li>• IA Review of Corporate Risk register is currently underway, and results will be reported to Committee in due course.</li> </ul>

<p><b>ADVISING ON THE ADEQUACY OF THE ASSURANCE FRAMEWORK AND CONSIDERING WHETHER ASSURANCE IS DEPLOYED EFFICIENTLY AND EFFECTIVELY.</b></p>	<ul style="list-style-type: none"> <li>• Reviewing the adequacy of the leadership team’s assurance framework.</li> <li>• Specifying the committee’s assurance needs, identifying gaps or overlaps in assurance.</li> <li>• Seeking to streamline assurance gathering and reporting.</li> <li>• Reviewing the effectiveness of assurance providers, e.g. internal audit, risk management, external audit.</li> </ul>	<ul style="list-style-type: none"> <li>• During the 2023/24 The Audit Committee has received reports on the following elements of the Council’s assurance framework: the AGS, the Local Code of Corporate Governance, The Annual Report and Opinion, and regular reports on Partnership Governance and Risks.</li> <li>• The Committee has identified it’s own assurance needs and gaps in assurance and requested a specific report on Northern Roots governance issues and other partnerships.</li> <li>• The Chair of the Committee has recently met with Scrutiny Committee Members to discuss and agree reporting arrangements in respect of the Towns Fund funded projects.</li> <li>• The Committee receives regular reports from both internal and external audit on progress throughout the year. It also receives the annual report and opinion from the CAE and the external Auditors audit completion report.</li> <li>• FRC Audit Quality and Inspection Report 2022/23 for Mazars LLP found an improvement in the quality rating from the previous year with no audits reviewed requiring significant improvement.</li> </ul>	<ul style="list-style-type: none"> <li>• The authority’s leadership team have defined an appropriate framework of assurance, including core arrangements, major service areas and collaborations and external bodies.</li> </ul>	<ul style="list-style-type: none"> <li>• During the 2023/24 The Audit Committee has received reports on the following elements of the Council’s assurance framework: the AGS, the Local Code of Corporate Governance, The Annual Report and Opinion, and regular reports on Partnership Governance Risks.</li> <li>• Action – Committee to receive reports on results from other assurance providers, e.g. Ofsted, CQC etc.</li> </ul>
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<p><b>SUPPORTING EFFECTIVE EXTERNAL AUDIT, WITH A FOCUS ON HIGH QUALITY AND TIMELY AUDIT WORK.</b></p>	<ul style="list-style-type: none"> <li>Reviewing and supporting external audit arrangements with focus on independence and quality.</li> <li>Providing good engagement on external audit plans and reports.</li> <li>Supporting the implementation of audit recommendations.</li> </ul>	<ul style="list-style-type: none"> <li>FRC Audit Quality and Inspection Report 2022/23 for Mazars LLP found an improvement in the quality rating from the previous year with no audits reviewed requiring significant improvement.</li> <li>Liaison is good, though the Committee did not meet privately with the External Auditor during 2023/24.</li> <li>External Auditor attends all Audit Committee meetings and provides a regular update and opinion reports to the Committee on their work.</li> </ul>	<ul style="list-style-type: none"> <li>The quality of liaison between external audit and the authority is satisfactory.</li> <li>The auditors deliver in accordance with their audit plan, and any amendments are well explained.</li> <li>An audit of high quality is delivered.</li> </ul>	<ul style="list-style-type: none"> <li>Liaison is good, though the Committee did not meet privately with the External Auditor during 2023/24.</li> <li>The External Auditor did not deliver in line with their external audit plan for 2020/21, 2021/22 due to a number of national and local factors outside the control of the local audit team. Accounts for 2022/23 signed off during March 2024, with a return to normal timescales expected from 2023/24 onwards.</li> <li>FRC Audit Quality and Inspection Report 2022/23 for Mazars LLP found an improvement in the quality rating from the previous year with no audits reviewed requiring significant improvement.</li> <li>Action – Committee to meet privately with the External Auditor going forward.</li> </ul>

<p><b>SUPPORTING THE QUALITY OF THE INTERNAL AUDIT ACTIVITY, IN PARTICULAR UNDERPINNING ITS ORGANISATIONAL INDEPENDENCE.</b></p>	<ul style="list-style-type: none"> <li>• Reviewing the audit charter and functional reporting arrangements.</li> <li>• Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements.</li> <li>• Actively supporting the quality assurance and improvement programme of internal audit.</li> </ul>	<ul style="list-style-type: none"> <li>• The Audit Committee reviews the Audit Charter, including reporting arrangements, annually.</li> <li>• The Committee receives an annual review of the system of Internal Audit. In March 2023 an External Quality Assessment was conducted by CIPFA which found the service to conform to the PSIAS standards in all areas, including independence and objectivity.</li> </ul>	<ul style="list-style-type: none"> <li>• Internal audit that is in conformance with PSIAS and LGAN (as evidenced by the most recent external assessment and an annual self-assessment).</li> <li>• The head of internal audit and the organisation operate in accordance with the principles of the CIPFA <a href="#">Statement on the Role of the Head of Internal Audit</a> (2019).</li> </ul>	<ul style="list-style-type: none"> <li>• The Committee receives an annual review of the system of Internal Audit. In March 2023 an External Quality Assessment was conducted by CIPFA which found the service to conform to the PSIAS standards in all areas, including independence and objectivity.</li> <li>• The organisation and HIA operate in accordance with the CIPFA statement.</li> </ul>
<p><b>AIDING THE ACHIEVEMENT OF THE AUTHORITY'S GOALS AND OBJECTIVES BY HELPING TO ENSURE APPROPRIATE GOVERNANCE, RISK, CONTROL AND ASSURANCE ARRANGEMENTS.</b></p>	<ul style="list-style-type: none"> <li>• Reviewing how the governance arrangements support the achievement of sustainable outcomes.</li> <li>• Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place.</li> <li>• Reviewing the effectiveness of performance management arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• During 2023/24 the Audit Committee has received reports on the following elements of the Council's assurance framework: the AGS, the Local Code of Corporate Governance, The Annual Report and Opinion, and regular reports on Partnership Governance and Risks, including a report on the governance arrangements in respect of the Northern Roots partnership.</li> <li>• IA Review of Corporate Performance Reporting planned to report during 2024/25.</li> </ul>	<ul style="list-style-type: none"> <li>• Inspection reports indicate that arrangements are appropriate to support the achievement of service objectives.</li> <li>• The authority's arrangements to review and assess performance are satisfactory.</li> </ul>	<ul style="list-style-type: none"> <li>• During the 2023/24 The Audit Committee has received reports on the following elements of the Council's assurance framework: the AGS, the Local Code of Corporate Governance, The Annual Report and Opinion, and regular reports on Partnership Governance Risks.</li> <li>• IA Review of Corporate Performance Reporting planned to report in 2024/25.</li> </ul>

<p><b>SUPPORTING THE DEVELOPMENT OF ROBUST ARRANGEMENTS FOR ENSURING VALUE FOR MONEY.</b></p>	<ul style="list-style-type: none"> <li>• Ensuring that assurance on value-for-money arrangements is included in the assurances received by the audit committee.</li> <li>• Considering how performance in value for money is evaluated as part of the AGS.</li> <li>• Following up issues raised by external audit in their value-for-money work.</li> </ul>	<ul style="list-style-type: none"> <li>• External Audit reports on VFM assessment to the Audit Committee.</li> <li>• AGS and updates are regularly reported to the Audit Committee. IA Review of the compilation of the AGS planned for 2024/25.</li> <li>• VFM assessments have been as follows from Mazars: <ul style="list-style-type: none"> <li>• 2020/21 – “There are no significant weaknesses to report.”</li> <li>• 2021/22 – “work on the Council’s arrangements to deliver value for money We received the Council’s updated self assessment of its arrangements in late November. We are completing our fieldwork on the Council’s arrangements for the 2021/22 financial year, and intend to report the findings from our work on the Council’s value for money arrangement in our final Audit Completion Report. There are no matters arising from the fieldwork completed to date to report to the Committee.”</li> <li>• 2022/23 – “Based on the above considerations we are satisfied there is not a significant weakness in the Council’s arrangements in</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• External audit’s assessments of arrangements to support best value are satisfactory.</li> </ul>	<ul style="list-style-type: none"> <li>• VFM assessments have been as follows from Mazars: <ul style="list-style-type: none"> <li>• 2020/21 – “There are no significant weaknesses to report.”</li> <li>• 2021/22 – “work on the Council’s arrangements to deliver value for money We received the Council’s updated self assessment of its arrangements in late November. We are completing our fieldwork on the Council’s arrangements for the 2021/22 financial year, and intend to report the findings from our work on the Council’s value for money arrangement in our final Audit Completion Report. There are no matters arising from the fieldwork completed to date to report to the Committee.”</li> <li>• 2022/23 – “Based on the above considerations we are satisfied there is not a significant weakness in the Council’s arrangements in relation to financial sustainability/governance/ improving economy, efficiency and effectiveness.</li> </ul> </li> </ul>
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<p><b>HELPING THE AUTHORITY TO IMPLEMENT THE VALUES OF GOOD GOVERNANCE, INCLUDING EFFECTIVE ARRANGEMENTS FOR COUNTERING FRAUD AND CORRUPTION RISKS.</b></p>	<ul style="list-style-type: none"> <li>• Reviewing arrangements against the standards set out in the <i>Code of Practice on Managing the Risk of Fraud and Corruption</i> (CIPFA, 2014).</li> <li>• Reviewing fraud risks and the effectiveness of the organisation’s strategy to address those risks.</li> <li>• Assessing the effectiveness of ethical governance arrangements for both staff and governors.</li> </ul>	<ul style="list-style-type: none"> <li>• The Council’s Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan is presented to the Audit Committee each year and is written in line with the CIPFA Code.</li> <li>• The Council’s Fraud and Loss risk Assessment and the Council’s self-assessment of it’s performance against the FFCL 2020-25 Checklist are reported to The Audit Committee each year. The Annual Audit Plan is constructed with the results the FFCL self-assessment in mind.</li> <li>• IA Review of Standards of Conduct planned to report during 2024/25.</li> </ul>	<ul style="list-style-type: none"> <li>• Good ethical standards are maintained by both elected representatives and officers. This is evidenced by robust assurance over culture, ethics and counter fraud arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• IA Review of Standards of Conduct planned to report during 2024/25.</li> <li>• Recruitment review planned to report during 2024/25 as a result of FFCL 2020-25 self-assessment.</li> <li>• Other actions from FFCL 2020-25 self-assessment include: <ul style="list-style-type: none"> <li>• Explore options for inclusion of a separate fraud and corruption risk register in the Council’s Corporate risk management framework.</li> <li>• Explore opportunities to publicise the Counter Fraud, Anti-Bribery Strategy and Counter Fraud Response Plan more widely across the Authority.</li> <li>• Examine current communications policy in this area.</li> <li>• Conduct a staff survey in connection with whistleblowing.</li> </ul> </li> </ul>

<p><b>PROMOTING EFFECTIVE PUBLIC REPORTING TO THE AUTHORITY'S STAKEHOLDERS AND LOCAL COMMUNITY AND MEASURES TO IMPROVE TRANSPARENCY AND ACCOUNTABILITY.</b></p>	<ul style="list-style-type: none"> <li>• Working with key members/the PCC and chief constable to improve their understanding of the AGS and their contribution to it.</li> <li>• Improving how the authority discharges its responsibilities for public reporting – for example, better targeting the audience and use of plain English.</li> <li>• Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency.</li> <li>• Publishing an annual report from the committee.</li> </ul>	<ul style="list-style-type: none"> <li>• All Committee reports to Audit Committee are reviewed by the Cabinet Member for Finance and Corporate resources, and the AGS itself is signed by both the Leader and CEX.</li> <li>• In respect of improving how the Authority discharges its responsibilities for public reporting, Members have questioned the need for inclusion of the AGS update and Corporate Risk reports in the private part of the Committee's agendas.</li> <li>• The Committee receives regular reports on the risks posed other Council by Partnership arrangements with 3<sup>rd</sup> parties, and will receive further reports on these arrangements going forward.</li> <li>• The Committee publishes an annual report to full Council on its work for the year.</li> </ul>	<ul style="list-style-type: none"> <li>• The authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality.</li> <li>• The external auditor completed the audit of the financial statements with minimal adjustments and an unqualified opinion.</li> <li>• The authority has published its financial statements and AGS in accordance with statutory guidelines.</li> <li>• The AGS is underpinned by a robust evaluation and is an accurate assessment of the adequacy of governance arrangements.</li> </ul>	<ul style="list-style-type: none"> <li>• Yes, the authority meets the statutory deadlines for financial reporting with accounts for audit of an appropriate quality.</li> <li>• The External Auditor has completed the audit of the financial statements with an unqualified opinion and minimal adjustments with the recent exceptions of National and local issues around valuation of fixed assets and the Greater Manchester Pension Fund actuarial valuation – both beyond the control of either the Council or the External Auditor.</li> <li>• The authority has published its 2023/24 financial statements and AGS one week after statutory guidelines which, while not ideal, in the current climate remains significantly ahead of many Local Authorities in the closure and auditing of many previous years' financial statements.</li> <li>• An IA review of the compilation of the AGS is planned to report in 2024/25.</li> </ul>
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