



Audit Committee

Date: Thursday 3 June 2010

Time: 10.00 am

Venue: Committee Room 11, Level 1, Town Hall

Everyone is welcome to attend this committee meeting.

There is a private meeting for Members at 9.30 am in Committee Room 11.

Membership of the Committee

Councillors -

M Clayton, P Morrison, D. Sandiford, N Swannick, A Trotman, S Wheale, M Watson
(Chair) (1 Labour vacancy)

Independent Co-opted Members -

Mr J Tench (1 Vacancy)

Agenda

- 1 **Urgent business**
To consider any items which the Chair has agreed to have submitted as urgent.
 - 2 **Appeals**
To consider any appeals from the public against refusal to allow inspection of background documents and/or the inclusion of items in the confidential part of the agenda.
 - 3 **Interests**
To allow Members an opportunity to [a] declare any personal or prejudicial interests they might have in any items which appear on this agenda; and [b] record any items from which they are precluded from voting as a result of Council Tax/Council rent arrears [c] the existence and nature of party whipping arrangements in respect of any item to be considered at this meeting. Members with a personal interest should declare that interest at the start of the item under consideration. If members also have a prejudicial interest they must withdraw from the meeting during the consideration of the item.
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| 4 Minutes
To approve as a correct record the minutes of the meeting held on 11 March 2010 (enclosed). | 5 |
| 5 External Audit Progress (Report of Grant Thornton, Council Auditors) | 11 |
| 6 2010/11 Annual Audit Fee Letter (Report of Grant Thornton, Council Auditors) | 15 |
| 7 Interim Accounts Audit (Report of Grant Thornton, Council Auditors) | 20 |
| 8 Information Security Review (Report of Grant Thornton, Council Auditors) | 38 |
| 9 IT Governance Review (Report of Grant Thornton, Council Auditors) | 51 |
| 10 SAP System Utilisation and Effectiveness Review
(Report of Grant Thornton, Council Auditors) | 63 |
| 11 External Audit Recommendations – monitoring report of Chief Executive | 89 |
| 12 Treasury Management Annual Report
(Report of Head of Internal Audit and Risk Management) | 121 |
| 13 Annual Internal Audit Report 2009/10
(Report of Head of Internal Audit and Risk Management) | 132 |
| 14 Internal Audit Annual Fraud Report 2009/10
(Report of Head of Internal Audit and Risk Management) | 158 |

15	National Fraud Initiative – Members Briefing (Report of Head of Internal Audit and Risk Management)	167
16	Annual Review of the System of Internal Audit 2009/10 (Report of Head of Internal Audit and Risk Management)	176
17	Internal Audit Plan 2010/11 (Report of Head of Internal Audit and Risk Management)	188
18	Annual Governance Statement (Report of Chief Executive, City Solicitor and City Treasurer)	208
19	Meeting on 29 June 2010 – date review To propose that the scheduled meeting on 29 June is re-scheduled to 25 June at 10.00am	
20	Future meeting dates – avoidance of dates on which the Planning and Highways Committee meets. A number of members serve on both the Audit Committee and the Planning and Highways Committee. On the dates when both committees meet on the same day there are problems for those members who are on the Planning and Highways Committee as site visits are arranged on the morning prior to the Committee meeting. The meetings in the current Municipal Year when these clashes occur are 20 January and 17 March 2011 and it is proposed that both meetings are put back by one week to 27 January and 24 March respectively.	

Information about the Committee

The Committee is responsible for approving the Authority's statement of accounts; considering the Audit Commission's Annual Audit and Inspection Letter and monitoring the Council's response to individual issues of concern identified in it. The Committee also considers the Council's annual review of the effectiveness of its systems of internal control and assurance over the Council's corporate governance and risk management arrangements, and engages with the external auditor and external inspection agencies to ensure that there are effective relationships between external and internal audit.

Copies of the agenda are available beforehand from the reception area at the Main Entrance of the Town Hall in Albert Square. Some additional copies are available at the meeting from the Governance Officer.

The Council is concerned to ensure that its meetings are as open as possible and confidential business is kept to the strict minimum. When confidential items are involved these are considered at the end of the meeting at which point members of the public are asked to leave.

Sir Howard Bernstein
Chief Executive
Town Hall, Albert Square
Manchester, M60 2LA

Further Information

For help, advice and information about this meeting please contact the Committee

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This agenda was issued on **25 May 2010** by the Governance and Scrutiny Support Unit, Manchester City Council, Town Hall, Albert Square, Manchester, M60 2LA.