

## REPORT FOR RESOLUTION

**COMMITTEE:** Audit Committee

**DATE:** 22<sup>nd</sup> May 2009

**SUBJECT:** Training and skills development plan 2009/2010

**REPORT OF:** Head of Internal Audit and Risk Management/City Solicitor

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### **PURPOSE OF REPORT:**

To present an up-dated training plan for Audit Committee members to ensure that they are well informed in order to fulfil their role.

### **RECOMMENDATIONS:**

To approve the training and development plan for 2009/2010.

**FINANCIAL CONSEQUENCES FOR REVENUE BUDGET:** None

**FINANCIAL CONSEQUENCES FOR CAPITAL BUDGET:** None

### **WARDS AFFECTED:**

None

### **IMPLICATIONS FOR:**

<b>Antipoverty</b>	<b>Equal Opportunities</b>	<b>Environment</b>	<b>Employment</b>
No	No	No	No

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### **BACKGROUND DOCUMENTS:**

Minutes of the Audit Committee – 2006-2008.

## **Background**

1. The review of Audit Committee Effectiveness considered at the September meeting of the committee identified a number of areas for improvement to be addressed as part of a comprehensive action plan. The need for appropriate training and skills development was highlighted as a significant issue in ensuring that the Audit Committee was able to deliver a robust challenge environment within the Council.
2. A key requirement of an effective Audit Committee is a well informed membership with substantial experience of the key areas to be considered by the Committee. Whilst the key skills required by members were already well established it remained important that these continued to be honed to the work of the Audit Committee, specifically in terms of the system of internal control and the emerging importance of the concepts of corporate governance. A draft Training Plan was submitted to and endorsed by the Committee in December 2008 to deliver across all these requirements, this has now been reviewed and an updated plan for 2009/2010, some elements of which have already been completed is attached as Appendix 1 to this report.
3. From the establishment of the Audit Committee in 2006 a range of training has been provided by way of assisting members to improve their knowledge and understanding of some of the complex issues involved in the group accounts of Manchester City Council, arguably one of the most complex sets of public sector accounts in the UK. This has largely focussed on the preparation of the Council's annual accounts and the important duty that the Committee performs in terms of scrutinising those accounts and passing them for external audit, but has also encompassed other key issues –

Role of the Audit Committee	June 2006
Structure of the Council's Final Accounts	June 2006
Preparation of the Council Accounts	June 2007
Changes in Accounting Arrangements	May 2008
Risk Management methodology	Jan 2007/June 2007
Introduction to Code of Corporate Governance	May 2008

4. Further related work will be necessary in relation to the transition to the International Accounting Standard in respect of the 2010/2011 accounts but the Committee also recognised the pressing need to extend training into other areas.
5. The objectives of training will be to ensure that the members of the Audit Committee are able to fulfil its Terms of Reference, and if possible match the Chartered Institute of Public Finance and Accountancy (CIPFA) recommended level of corporate skill in Finance, Risk Management, Audit, the Authority's governance and regulatory framework, and an understanding of the wider governance environment in which the Authority operates and the accountability structures within that environment.

## **Appendix 1.**

### **Training and Development Plan 2009/2010**

**The Principles of Audit and the functions of the Audit Committee.**

(completed: 26 February 2009)

**The Role of the External Auditor.**

(completed: 26 February 2009)

**The Role and Function of Internal Audit.**

(completed: 26 February 2009)

**Introduction to the Council's Annual Accounts.**

(Refresher training to be arranged prior to June 2009 meeting)

**Introduction to the Council's Risk Management framework.**

(Cascade of the training course being delivered to managers across the Council during 2009)

**Corporate Governance.** (date to be arranged)

**Effective Use of Resources.** (date to be arranged)

**CAA inspection and assessment regime** (date to be arranged)

**Scrutiny of compliance with audit recommendations.** (date to be arranged)

**Robustness of Financial and Contract rules.** (date to be arranged)

**Fraud / whistle-blowing.** (date to be arranged)

**New International Accounting Standard**

(prior to first occasion that the annual Accounts will be presented in this format – April/May 2011)