



**MANCHESTER CITY COUNCIL**

**EXTERNAL AUDIT PROGRESS REPORT - MAY 2010**

Audit Area	Planned date	Complete?	Comments
<p><b>2009-10 Audit fee letter</b></p> <ul style="list-style-type: none"> <li>▪ proposed 2009-10 audit fee</li> <li>▪ outline audit work programme.</li> </ul>	<p>April 2009</p>	<p><input type="checkbox"/></p>	<p>We set out our proposed audit fee and work programme for 2009-10 in a letter to the City Treasurer in April 2009. The letter was presented and agreed by the Audit Committee on 22 May 2009.</p>
<p><b>2009-10 Accounts audit plan</b></p> <p>We are required to issue a detailed Accounts audit plan to the Council by 31 December 2009, setting out our proposed approach in order to give an opinion on the Council's 2009-10 financial statements.</p>	<p>December 2009</p>	<p><input type="checkbox"/></p>	<p>We produced a plan highlighting some of the key risks identified from our initial planning and discussion with the finance team and our proposed work to address those risks.</p> <p>The Accounts audit plan was presented and agreed at the Audit Committee on 14 January 2010.</p>
<p><b>Review of accounts and annual report</b></p> <p>Ahead of the accounts closedown process we will undertake an exercise to compare the Council's 2008/09 accounts to good practice examples in local government and other sectors with a view to making recommendations to improve the accessibility and presentation of the statements. The review will also cover the content of the annual report.</p> <p>We will work closely with officers in carrying out this exercise and will welcome views of Audit Committee</p>	<p>February - March 2010</p>	<p><input type="checkbox"/></p>	<p>We used technical specialists within Grant Thornton to review the documents and propose improvements to the presentation and clarity of the accounts.</p> <p>We have shared our findings with management in a workshop and a summary of our findings is included in our Interim Accounts audit report included in the papers for this Audit Committee.</p>

members.			
<p><b>Partnership working review</b></p> <p>In our outline audit work programme we included a review of the Council's arrangements for working with key strategic partners. Our work will be a joint review of partnership arrangements with Manchester PCT.</p> <p>This review will look at the relationship between the Council and the PCT and focus specifically on joint working arrangements in place to deliver benefits to the local community through effective partnership working to drive financial efficiencies and benefits in the following areas:</p> <ul style="list-style-type: none"> <li>• improving local health services through the 'Securing our Shared Futures' programme</li> <li>• development and use of strategic plans to manage the joint estate of the Council and the PCT</li> <li>• sharing of good practice and use of joint procurement arrangements.</li> </ul>	February - May 2010	<input type="checkbox"/>	<p>Our fieldwork in this area has been completed and findings and recommendations agreed with the Council.</p> <p>The report arising from our review will be presented to the Audit Committee on 25 June 2010.</p>
<p><b>IT audits</b></p> <p>In our outline audit work programme we included a review of the Council's IT arrangements. This work will cover three areas:</p> <ul style="list-style-type: none"> <li>• IT governance</li> <li>• Information security management</li> <li>• SAP system utilisation and effectiveness review</li> </ul>	February - April 2010	<input type="checkbox"/>	<p>Our fieldwork in these three areas has been completed and findings and recommendations agreed with the Council.</p> <p>The reports arising from these reviews are included in the papers for this Audit Committee.</p>

<p><b>Project management review</b> In our outline audit work programme we included a review of the Council's project management arrangements. We will use a sample of projects to test the effectiveness of the Council's risk management and performance management arrangements, drawing on specialist resource from within Grant Thornton.</p>	April - June 2010		Our fieldwork has been completed in this area and our report arising from this review will be discussed and agreed with management by the end of June. Our report will be presented to the Audit Committee on 30 September 2010.
<p><b>Interim Accounts audit</b> Our interim fieldwork visit will include the following:</p> <ul style="list-style-type: none"> <li>▪ updated review of the Council's control environment</li> <li>▪ findings from our review of the Council's information and communication technology systems</li> <li>▪ review of internal audit work on core financial systems</li> <li>▪ updated review of arrangements to compile Annual Governance Statement</li> <li>▪ progress on prior year recommendations</li> <li>▪ early work on emerging accounting issues.</li> </ul>	22 March - April 2010	<input type="checkbox"/>	Our Interim Accounts audit report, detailing matters arising from our interim audit, is included in the papers for this Audit Committee.
<p><b>2009-10 Final Accounts audit</b> Including:</p> <ul style="list-style-type: none"> <li>▪ audit of the 2009-10 financial statements</li> <li>▪ proposed opinion on the Council's accounts</li> <li>▪ proposed Value for Money conclusion.</li> </ul>	5 July - September 2010		Our Annual Report to those Charged with Governance, detailing matters arising from our accounts audit, is due to be presented to the Committee on 30 September 2010.
<p><b>2009-10 Annual Audit Letter</b> We are required by November 2010, to summarise our work performed at the Council, including:</p> <ul style="list-style-type: none"> <li>• accounts audit</li> <li>• use of resources</li> </ul>	November 2010		Our Annual Audit Letter will be presented to the Committee in December 2010.

assessment • grant claim certification.			
<b>2009-10 Grant claims report</b> Our review of the Council's 2009-10 grant claims will take place during the period August to December 2010.	August - December 2010		Our grants report will be discussed with management and presented to Audit Committee in December 2010.
<b>2010 Use of Resources assessment:</b> Including a review of the Council's arrangements against the UoR framework across three themes: • managing finances • governing the business • managing resources.	March - September 2010		We have updated our 2009 assessment, focussing on the key areas identified for improvement in the Council's action plan. We submitted our initial assessments to the Audit Commission on 21 April 2010 and presented our findings to the SMT Use of Resources sub-group on 22 April 2010. Our initial assessment is that the managing finances and governing the business themes have improved from 2 to 3, meaning that the Council is provisionally assessed as 3 overall for Use of Resources. The managing resources theme provisionally remains at level 2. Key messages from our assessment will be presented to the Audit Committee on 3 June 2010. We are required to submit final scores to the Audit Commission by 30 July 2010. We are continuing to liaise with the Council on Key Line of Enquiry areas where they feel they can provide further evidence to strengthen scores, including commissioning and asset management.
<b>2010-11 Audit fee letter:</b> ▪ proposed 2010-11 audit fee ▪ outline audit work programme.	March 2010	<input type="checkbox"/>	Our proposed audit fee and work programme for the 2010-11 audit year is included in the papers for this Audit Committee.