



**MANCHESTER CITY COUNCIL – AUDIT 2008/09**

**PROGRESS REPORT - MARCH 2009**

Work	Progress
<p><b>Use of resources</b></p>	<p>Our review of the Council's Use of Resources under the new Comprehensive Area Assessment (CAA) approach is in progress. Following a planning meeting with the SMT Use of Resources sub-group, we produced a 'gap analysis' for management which shows:</p> <ul style="list-style-type: none"> <li>• our current knowledge in each Key Line of Enquiry (KLoE) area based on previous Use of Resources work</li> <li>• additional evidence we wish to review as a priority, to demonstrate achievement of minimum standards</li> </ul> <p>The Council is in the process of providing additional evidence and initial meetings are taking place during early April. Our detailed review will take place throughout April and we will submit provisional judgements to the Audit Commission by the end of May. There will then be a process of challenge led by the Comprehensive Area Assessment Lead (CAAL) from the Audit Commission and an opportunity for evidence and scores to be refined over the summer. Final scores will be submitted at the end of August.</p> <p>We will update the May Audit Committee with our initial findings.</p>
<p><b>Review of corporate governance</b></p>	<p>In 2007/08 we produced a number of reports on corporate governance issues including:</p> <ul style="list-style-type: none"> <li>• internal audit arrangements</li> <li>• risk management arrangements</li> <li>• Audit Committee arrangements</li> </ul> <p>The Council's response to our conclusions and recommendations arising from the reports will be a key consideration in our Use of Resources assessment.</p> <p>We will follow up action taken in response to these reports during April and report our initial findings to the May Audit Committee.</p>

<b>Interim accounts audit</b>	<p>Our interim accounts audit is taking place in April. Our work will cover:</p> <ul style="list-style-type: none"> <li>• review of the adequacy of systems of internal control (including review of the work of internal audit on core financial systems)</li> <li>• review of information technology systems</li> <li>• follow up of 2007/08 audit reports</li> <li>• risk assessing our approach to the financial statements audit which starts at the end of June</li> <li>• undertaking work on emerging accounting issues through discussion with finance officers, to seek early resolution of accounting treatments</li> </ul> <p>We will report our findings in these areas to the May Audit Committee.</p>
<b>School governance arrangements</b>	<p>We have planned to review the Council's arrangements for efficiently obtaining school governance assurances, including:</p> <ul style="list-style-type: none"> <li>• self certification around risk and financial management arrangements</li> <li>• audit arrangements</li> <li>• assessing the skills of governors</li> <li>• learning and incorporating lessons where arrangements have failed.</li> </ul> <p>We are liaising with internal audit to discuss the scope of our audit work and will issue a briefing document to management in April. We will report the findings from our work to the June Audit Committee.</p>
<b>Performance Management</b>	<p>We have planned to review developments in the Council's arrangements for performance management, including the Manchester Partnership, against assessment criteria collated from the Improvement and Development Agency (IDeA) 'Making performance management work' checklist, and Grant Thornton and Audit Commission management arrangement tools.</p> <p>We will issue a briefing document for this review to management during April. Our work will be carried out during May and June and we will report the findings from our work to the September Audit Committee.</p>
<b>SAP Implementation</b>	<p>With support from our specialist IT resource, we have planned to review how the Council is evaluating the success of SAP in delivering expected improvements in financial management, reporting and streamlined business processes. We will review arrangements for</p>

	<p>managing resolution of any outstanding implementation issues. Our work will be carried out with reference to any internal SAP review work that takes place.</p> <p>We will issue a briefing document for this review to management during May. We plan to undertake our work during June and July and we will report our findings to the September Audit Committee.</p>
--	--