



## Audit Committee Update for Manchester City Council

---

**Year ended 31 March 2016**

January 2016

**Mark Heap**

Director

**T** 0161 234 6375

**M** 07880 456204

**E** [mark.r.heap@uk.gt.com](mailto:mark.r.heap@uk.gt.com)

**John Farrar**

Senior Manager

**T** 0161 234 6384

**M** 07880 456 200

**E** [john.farrar@uk.gt.com](mailto:john.farrar@uk.gt.com)

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

---

## Contents

<b>Section</b>	<b>Page</b>
Introduction	4
Progress at January 2016	5
Emerging issues and developments	7

## Introduction

---

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors. The paper also includes:

- a summary of our recent Health and Wellbeing Index report.

Members of the Audit Committee can find further useful material on our website [www.grant-thornton.co.uk](http://www.grant-thornton.co.uk), where we have a section dedicated to our work in the public sector (<http://www.grant-thornton.co.uk/en/Services/Public-Sector/>). Here you can download copies of our publications including:

- Growing healthy communities: The Health and Wellbeing Index
- Making devolution work: A practical guide for local leaders
- Spreading their wings: Building a successful local authority trading company
- All aboard? our local government governance review 2015

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Audit Manager.

Mark Heap  
Engagement Lead  
T 0161 234 6375  
M 07880 456204  
[mark.r.heap@uk.gt.com](mailto:mark.r.heap@uk.gt.com)

John Farrar  
Audit Manager  
T 0161 234 6384  
M 07880 456200  
[john.farrar@uk.gt.com](mailto:john.farrar@uk.gt.com)

Progress against plan  On track

## Progress at January 2016

Opinion and VfM conclusion  On track

Outputs delivered  On track

Area of work	Planned date	Complete	Comments
<b>2014-15 certification of claims and returns</b>	December 2015	Yes	Our certification work on the Council's 2014-15 grant claims and returns requiring external auditor certification is now complete. We are pleased to report that the Council's 2014-15 Housing Benefit Claim was certified without the need for a qualification letter. Further details are provided in our 7 January 2016 letter to the City Treasurer.
<b>2015-16 Accounts Audit Plan</b> We will prepare a detailed accounts audit plan setting out our proposed approach in order to give an opinion on the Council's 2015-16 financial statements and a Value for Money Conclusion.	March 2016	On track	We will present our 2015-16 Audit Plan to the next meeting of the Audit Committee.
<b>Interim accounts audit</b> Our interim fieldwork visit includes: <ul style="list-style-type: none"> <li>• updating our review of the Council's control environment</li> <li>• updating our understanding of the Council's financial systems</li> <li>• review of Internal Audit reports on core financial systems</li> <li>• early work on emerging accounting issues</li> <li>• early substantive testing</li> <li>• early Value for Money conclusion work.</li> </ul>	December 2015 to March 2016	On track	We are currently planning our interim audit and we will report any significant findings and conclusions within the Accounts Audit Plan to be presented to the Audit Committee in the first quarter of 2016.  As part of our early planning work will we provide officers with a schedule of working paper requirements and we will continue to hold regular liaison meetings with the key officers involved in the preparation of the Council's accounts.

## Progress at January 2016

Area of work	Planned date	Complete?	Comments
<p><b>2015-16 final accounts audit</b></p> <p>Including:</p> <ul style="list-style-type: none"> <li>• audit of the 2015-16 financial statements</li> <li>• proposed opinion on the Council's accounts</li> <li>• proposed Value for Money conclusion.</li> </ul>	June to August 2016	On track	Our Annual 'Audit Findings Report' to the Audit Committee will summarise the findings from our final accounts audit and will be presented in September 2016.
<p><b>Value for Money (VfM) conclusion</b></p> <p>The scope of our work to inform the 2015-16 VfM conclusion comprises:</p> <ul style="list-style-type: none"> <li>• an initial risk assessment</li> <li>• audit work in relation to any significant risks identified at the initial risk assessment stage that present a risk to us reaching an appropriate VfM conclusion.</li> </ul>	November 2015 to July 2016	On track	<p>We will undertake initial risk assessment procedures to inform our 2015-16 VfM audit work and discuss our proposed work with officers. Our VfM work programme, which will include consideration of the Council's progress in responding to the Ofsted inspection of Children's Services, will be summarised in our 2015-16 Audit Plan. We are attending meetings of the Children's Services Improvement Board in connection with our VfM audit.</p> <p>Our VfM conclusion will be presented alongside our opinion on the Council's accounts.</p>
<b>2015-16 Annual Audit Letter</b>	September 2016	On track	Our Annual Audit Letter will summarise the findings from our 2015-16 audit.

## Growing healthy communities: The Health and wellbeing index

### Grant Thornton market insight

Our Place Analytics team reveals how collaboration between local authority stakeholders can help address health quality determinants (social, economic and environmental) and result in improved health outcomes (quality of lifestyle and health conditions).

It has long been recognised that the health of a population is strongly linked to the circumstances in which people live. Our index assesses 33 key health determinants and outcomes of health for the 324 English local authorities, to provide a coherent, national story on health and wellbeing. It highlights the scale and nature of inequality across the country and reiterates the need for a local, place-based approach to tackling health outcomes.

The purpose of this report is to help stakeholders – NHS providers and clinical commissioning groups (CCGs), local authorities, health and social care providers, housing associations, fire authorities and the police – to improve collaboration through a better understanding of the correlation between the economic, social and environmental health determinants and the health outcomes within their locality. It includes a concluding checklist of questions to help facilitate discussions in the light of joint service needs assessments.

The data behind the index also allows segmentation which reveals areas around the country with similar health determinants, but better outcomes. This underscores the need to work in collaboration with peers that may not be 'next door' if there is an opportunity to learn from 'others like us'.

Our report, Growing healthy communities: Health and Wellbeing Index, can be downloaded from our website:  
<http://www.grantthornton.co.uk/globalassets/1.-member-firms/united-kingdom/pdf/publication/2015/growing-healthy-communities-health-and-wellbeing-index.pdf>

Hard copies of our report are available from your Engagement Lead and Audit Manager



## Supporting members in governance

### Grant Thornton and the Centre for Public Scrutiny

We have teamed up with the Centre for Public Scrutiny to produce a member training programme on governance. Elected members are at the forefront of an era of unprecedented change, both within their own authority and increasingly as part of a wider local public sector agenda. The rising challenge of funding reductions, the increase of alternative delivery models, wider collaboration with other organisations and new devolution arrangements mean that there is a dramatic increase in the complexity of the governance landscape.

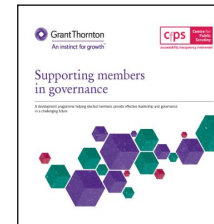
Members at local authorities – whether long-serving or newly elected – need the necessary support to develop their knowledge so that they achieve the right balance in their dual role of providing good governance while reflecting the needs and concerns of constituents.

To create an effective and on-going learning environment, our development programme is based around workshops and on-going coaching. The exact format and content is developed with you, by drawing from three broad modules to provide an affordable solution that matches the culture and the specific development requirements of your members.

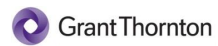
- Module 1 – supporting members to meet future challenges
- Module 2 – supporting members in governance roles
- Module 3 – supporting leaders, committee chairs and portfolio holders

The development programme can begin with a baseline needs assessment, or be built on your own understanding of the situation.

Further details are available from your Engagement Lead and Audit Manager







© 2016 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' means Grant Thornton UK LLP, a limited liability partnership. Grant Thornton is a member firm of Grant Thornton International Ltd (Grant Thornton International). References to 'Grant Thornton' are to the brand under which the Grant Thornton member firms operate and refer to one or more member firms, as the context requires. Grant Thornton International and the member firms are not a worldwide partnership. Services are delivered independently by member firms, which are not responsible for the services or activities of one another. Grant Thornton International does not provide services to clients.

[grant-thornton.co.uk](http://grant-thornton.co.uk)