

Audit Committee Progress Report December 2019

Manchester City Council

Year ending 31 March 2020





CONTENTS

Audit Progress

Appendix A – National Publications

This document is to be regarded as confidential to Manchester City Council. It has been prepared for the sole use of the Audit Committee. No responsibility is accepted to any other person in respect of the whole or part of its contents. Our written consent must first be obtained before this document, or any part of it, is disclosed to a third party.

AUDIT PROGRESS

Purpose of this report

This report provides the Audit Committee with an update on progress in delivering our responsibilities as your external auditor.

This paper also seeks to highlight at Appendix A key emerging national issues and developments which may be of interest to Members of the Committee.

If you require any additional information regarding the issues included within this briefing, please contact any member of your engagement team.

Audit progress 2019/20

Our provisional timetable of work is set out in the diagram below. On completion of the planning and risk assessment work we will bring our Audit Strategy Memorandum to the Audit Committee on 14 January 2020 for consideration. Our risk assessment process will continue throughout the year.



AUDIT PROGRESS

Audit progress 2019/20 (continued)

Since the last Audit Committee we have completed the majority of work set out in the planning stage and commenced early substantive testing of transactions. Detail of the work performed during November is set out below:

- Updating of our understanding of the core financial systems at the Council and walkthrough of the following financial systems:
 - Payroll
 - Operating expenditure
 - NNDR income
 - Council tax income
 - Other income
 - Housing rental income
 - Land and buildings accounting
 - Treasury processes
 - Journal transaction processing
- Early substantive testing in the following areas:
 - Payroll (months 1 to 6)
 - Expenditure (months 1 to 5)
 - Income (months 1 to 6)
 - Capital expenditure (months 1 to 5)

Our work is on track, and there are no significant matters arising from our work that we are required to report to you at this stage. Our detailed Audit Strategy Memorandum will be presented to the Audit Committee in early 2020.

2. NATIONAL PUBLICATIONS

This section includes, for the Committee’s information, summaries of recent technical and other sector publications which we believe are relevant to your broader responsibilities. The reports covered in this appendix, and the key messages, are:

	Publication/update	Key points
Chartered Institute of Public Finance and Accountancy (CIPFA)		
1.	CIPFA launches new Financial Management Code	The new Code is the first from the Institute in almost 15 years, and brings together many areas of local government financial management into one place.
Local Government Association (LGA)		
2.	A Councillor’s guide to Digital Connectivity	Explores the main issues and challenges facing local areas and guidance from experienced councillors who have already undertaken work to get their communities better connected. It also provides a brief overview of Government policy and a glossary of widely used terms.
3.	A Councillor’s guide to Procurement	Includes a toolkit that enables councils to set their own objectives and measure their own progress.

2. NATIONAL PUBLICATIONS - CIPFA

1. CIPFA launches new Financial Management Code, October 2019

CIPFA has launched its Financial Management (FM) Code, to drive improvement in financial management for councils across the United Kingdom.

The new Code is the first from the Institute in almost 15 years, and brings together many areas of local government financial management into one place. It follows extensive engagement with senior leaders in public finance from across the country.

The FM Code is based on a set of standards and principles, including organisational leadership, transparency, assurance and sustainability. Its aim is to place financial management at the heart of policy and decision making in local government.

Although the FM Code comes into effect from April 2020, in recognition of the pressures facing local authorities, 2021/22 will be the first full compliance year for the Code. This allows authorities a shadow year to work towards full implementation.

CIPFA will be providing support and guidance over the next 12 months to aid this process.

<https://www.cipfa.org/about-cipfa/press-office/latest-press-releases/cipfa-launches-new-financial-management-code>

2. NATIONAL PUBLICATIONS – LOCAL GOVERNMENT ASSOCIATION

2. A Councillor's guide to Digital Connectivity , October 2019

This guide is structured to provide councillors with key information on digital connectivity. It explores the main issues and challenges facing our local areas and includes hints, tips and case studies from experienced councillors who have already undertaken work to get their communities better connected. It also provides a brief overview of Government policy and a glossary of widely used terms. Finally, it sets out the vital role councillors can play in this area by:

- educating residents, voluntary and third-sector groups and businesses on the benefits of faster, more reliable connectivity
- bringing communities together to advocate for improved digital connectivity by applying for grants or aggregating their demand to persuade telecommunications providers to build the necessary infrastructure on their road
- helping residents consider where it is most appropriate to build new digital infrastructure, such as a phone mast, to improve residents' and businesses' connectivity whilst conserving local landscapes
- working in partnership with council portfolio holders, officers and other local stakeholders to consider the role your council can play in helping to improve communities' digital connectivity.

<https://www.local.gov.uk/councillors-guide-digital-connectivity-0>

3. A Councillor's guide to Procurement, October 2019

The LGA worked closely with councils to develop the National Procurement Strategy 2018 and a toolkit that enables councils to set their own objectives and measure their own progress. The National Procurement Strategy puts the councillor role front and centre and this guide has been produced specifically with councillors in mind. It looks at the roles councillor's play – both executive members and those engaged in overview and scrutiny work – and provides hints and tips on how to get the best out of procurement and contract management. Just as in the national strategy the focus is on delivering the council's objectives. Councillors do not need to be procurement professionals. But they do need to be able to ask the right questions and that is where this guide comes in.

<https://www.local.gov.uk/councillors-guide-procurement-2019-edition>

CONTACTS

Partner
Karen Murray

Phone: 0161 238 9248
Mobile: 07721 234 043
Email: karen.murray@mazars.co.uk

Senior Manager
Stephen Nixon

Phone: 0161 238 9233
Mobile: 07909 986 191
Email: stephen.nixon@mazars.co.uk