



January 2010 Progress report and briefing note

Swindon BC

Audit 2009/1010

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- Audit Commission descriptor to be inserted by Publishing-

Document Control

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Filename Progress report January 2010 (2).doc

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Introduction

- 1 The purpose of this paper is to provide the Audit Committee with a report on progress in delivering our responsibilities as the Council's external auditor.
- 2 This update also seeks to highlight key emerging national issues and developments which may be of interest to members of the Committee.
- 3 At the end of this update are a number of questions which the Audit Committee may wish to consider in order to ensure that it has received sufficient assurance on the emerging issues.
- 4 If you require any additional information regarding the issues included within this briefing, please feel free to contact your District Auditor or member of the local audit team .

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Audit progress summary

Area of work	Audit Plan reporting date	Date reported to Officers	Lead Officers	Date reported to Audit Committee	Comment
2009/10					
Audit fees letter	April 2009	April 2009	AC Peter Smith	June 2009	Fee letter sent to Chief Executive in April 2009. We will confirm the fee prior to commencing the opinion work.
Interim audit	April 2010 (if required)		SBC Darren Stevens/ Nick Hobbs AC Paul Benfield		<p>System walkthroughs are completed for all material systems except fixed assets. Systems examined are adequately designed with controls which are operating.</p> <p>Controls testing to be undertaken in March to ascertain if controls are operating effectively.</p> <p>Significant control issues will be reported on an exception basis in April 2010. If no material issues are identified a summary of findings will be reported within the ISA 260</p>

					governance report.
Connecting People connecting places	June 2010				Set up work is planned for January 2010, with on site work expected to be in March 2010 and a report available by the end of April 2010.
Use of Resources	July 2010		SBC Stuart Mckellar AC Peter Smith		<p>Planning and initial documentation has been started, with discussions with officers planned for February to April 2010.</p> <p>Indicative scores will be submitted to the Audit Commission by 21st April 2010 with final submission for Quality Review process being the 30th July 2010.</p>
Opinion fee review	May 2010		SBC Gavin Jones AC Peter Smith		Not yet started
Opinion	September 2010		SBC Stuart Mckellar AC Peter Smith		<p>Not yet started</p> <p>Post statements audit testing to be undertaken in July - August 2010</p> <p>Audit Committee date for approval of accounts has not yet been agreed.</p>
VFM Conclusion	September 2010		SBC Stuart Mckellar AC Peter Smith		Not yet started

Annual Audit Letter	November 2010		SBC Stuart Mckellar AC Peter Smith		Not yet started
2010/11					
Audit Plan	March 2010		SBC Gavin Jones AC Peter Smith		Work is underway. to review the Council's internal risk registers to identify any significant changes to business risks affecting our Code responsibilities.

Briefing for January 2010

Protecting the Public Purse - Local government fighting fraud - checklist for audited bodies

On 15 September 2009 the Commission published Protecting the Public Purse: Local government fighting fraud. The Commission is committed to raising audited bodies' awareness of the issues and good practice highlighted within the publication, and in particular to encourage audited bodies to use the checklist within the report. We are reminding Audit Managers that they may wish to bring the report to the attention of audited bodies and in particular, audit committee members.

Comprehensive Area Assessment

The first Comprehensive Area Assessment (CAA) results was published on December 9th, the website has a shorter and friendlier name – oneplace.

Assessments look different: gone are the static scores using stars or league tables. Instead joint inspectorate teams will paint an overall picture of how well public services are tackling an area's problems and priorities.

Oneplace will help answer the simple question 'how well am I being served by local public services?' There will be jargon-free, easy-to-read accounts on every place in England, and links to detailed information from the independent inspectorates behind CAA - the Audit Commission, Ofsted, Care Quality Commission and Her Majesty's Inspectorates of Constabulary, Prisons and Probation. The oneplace site is user-focused - easy to navigate and understand.

Means to an end: Joint financing across health and social care

This Audit Commission's recent national report, Means to an End, reviews the joint financing and integrated care arrangements between NHS bodies and councils with adult social care responsibilities. It builds on our previous publication, Clarifying joint financing arrangements, that explained the practical implications and legislative framework for joint financing.

It considers how these arrangements are used, focusing on learning disability, mental health and older people - areas where service users most often need health and social care.

The report's key conclusion is that instead of concentrating on the mechanics of joint financing and partnership working, councils and the NHS should look at how their joint funding can improve people's lives.

Use of resources guidance published

To ensure continuity and comparability of scores, for the second year of the use of resources assessment, the overall framework and the key lines of enquiry have not changed. This consistency will allow auditors to take a more proportionate approach and build on evidence collected in the first year.

We have been updating the detailed guidance and some updates have already been published on our website. The remaining updates were published week commencing 11 January 2010.

Promoting health and well-being

The Audit Commission has developed a methodology to identify the issues an individual public sector body has in promoting health and well-being in the workplace, managing sickness absence and make recommendations for improvement. It is intended for use across health and local government organisations as a local study in local government or additional risk – based work in health, delivered under Advice and Assistance powers. It can do this by:

- supporting public sector organisations to link the management of sickness absence to efficiency, productivity and value for money through assessment and analysis of sickness absence; and by reporting on effective interventions and financial savings; and
- promoting and, where appropriate, supporting delivery of best practice to reduce sickness absence rates.

This work can be conducted in all public sector bodies.

Local council finances and the recession

The Audit Commission has published two reports so far on the impact of the recession on councils. Crunch Time was published in December 2008 and When it comes to the crunch in July 2009. These reports found that, as a result of the recession, council income had fallen, and expenditure in some areas had increased due to higher demand. The speed of change meant 70 per cent of councils had to amend their financial plans and budgets to balance their books.

When it comes to the crunch found that councils remain uncertain and concerned about levels of future funding. This is affecting their ability to respond locally to the recession now and their plans for the future. It also looked at what councils were doing to help their local economy and citizens deal with the recession. It suggested that councils would face further increases in recession related demand in future, linked to increases in longer term unemployment.

- The Audit Commission is now updating financial and demand information and looking in more detail at councils as contributors to the local job market. The aims of this research are to:
 - establish a balanced picture on how local authority finances and demand for services have been affected by the recession so far;
 - identify and comment on the differences in impact at local level;
 - identify and comment on the actions taken, particularly efficiencies, to address financial pressures; and
 - assess the resilience of council finances and the ability of councils to withstand future financial shocks.
- The research will address the following questions:
 - How is council income changing, especially compared to actual and predicted income before the recession?
 - How are costs changing, especially compared to expectations?
 - How is demand changing? To what extent is this recession related? Is the balance of expenditure between service areas changing?
 - How did councils balance their budgets in 2008/09; what changes have they made to ensure balance in 2009/10 and what are agreed future plans (if clear)?
 - How sensitive are different local economies to reductions in local public sector job opportunities?

Recent research in this area has relied on perceptions from surveys. Much of this research will be based on an analysis of available national data returns on local government finance and service demand, including the detailed local government financial returns for 2008/09 and estimates for 2009/10.

We wish to supplement the nationally available data with discussions in a sample of councils who have different financial profiles and so will have been differentially affected by the economic downturn to date – for example, some who are more or less reliant on Council tax income, fees and charges and/or income from investments. This will be through an auditor led questionnaire on aspects of income, demand and associated budget changes. This will give a clearer indication of whether changes in finance and demand identified from 2008/09 data are continuing. It may identify new issues.