

Audit Progress report

Brighton & Hove City Council

Audit 2008/09

September 2008

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The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

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Introduction

- 1 Our audit and inspection plan for 2008/09 was presented to the Audit Committee in June 2008. Within the plan we set out a number of areas of work and this report provides a summary of progress to date. Further reports will be issued to future meetings of the Committee.

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Background

2 The audit and inspection plan for 2008/09 set out the following areas of work:

- financial statements and Whole of Government Accounts;
- value for money conclusion;
- use of resources;
- data quality; and
- national fraud initiative.

3 These areas are covered in the detailed report section below.

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Main conclusions

- 4 The 2007/08 audit work is nearing completion. More details are set out under the headings shown below.
- 5 Progress to date on the 2008/09 audit is in line with expectations. A summary of each of the main areas of the plan is set out below.

Financial statements and Whole of Government Accounts 2007/08

- 6 Our work on the Council's financial statements 2007/08 is almost complete. We aim to issue our formal audit opinion on 30 September 2008. A summary of the key matters arising from the work is set out in the Annual Governance Report which is being presented to this Committee.
- 7 Our Whole of Government Accounts work, which requires us to certify the Council's return to the Treasury, is in progress. The deadline set for submission of the audited return is 1 October 2008 and this will be met.

Value for money conclusion 2007/08

- 8 Our work is in progress and we use the Commission's set criteria to do so. On completion of this work we are required to issue a conclusion on whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources and this is known as the 'value for money conclusion'. The conclusion will be included in our formal audit report on the financial statements.

Main conclusions

Use of resources 2007/08

- 9 There are two use of resources reviews relating to 2007/08 that have not been completed. The first is a follow-up of our previous work on workforce planning. This has started and will be completed in the next few weeks. The second is a review of the Council's governance arrangements using a guide produced by the Commission. This work also includes an online survey to establish how effectively the Council's arrangements are promoted and used. We are liaising with officers to ensure our work complements other work by the Council in this area. We expect to report to officers in January 2009.
- 10 Separately, the Audit Commission requires a use of resources assessment to be completed for 2007/08. This focuses on the Council's arrangements to ensure that resources are available to support the Council's achievement of its priorities and ability to improve services. This work is in progress and the draft scores will be advised to the Council in October 2008 before national consistency processes.

Data quality 2007/08

- 11 Work is underway. A review of the Council's management arrangements for data quality has been completed and we are about to start detailed testing of a sample of performance indicators. We will update officers on progress later in 2008 and will issue a report to officers in January 2009.

Grant claims and returns 2007/08

- 12 Each year we are required to undertake work on behalf of third parties to certify claims and returns submitted by the Council. The 2008/09 audit work is just starting and the Committee will be updated in our next progress report.

National Fraud Initiative

- 13 The Council participates in the Audit Commission's scheme that matches computerised data. We understand that the Commission will issue further guidance in 2008.

Audit fees

- 14 The audit and inspection plan for 2007/08 totalled £294,810, which is split between audit (£270,470) and inspection (£24,340). At this time, we expect to deliver the audit and inspection work within the fees set.
- 15 The audit and inspection fees for 2008/09 totalled £394,572 which were split between audit (£323,468) and inspection (£71,104). We are discussing some changes to the plan with officers and will report to the next Audit Committee meeting. The planned housing inspection has been deferred until the 2009/10 audit consequently the inspection fee will be £24,634 making a revised total of £348,102.

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Appendix 1 - Audit Commission work programme

16 The grid below summarises the main work areas and the progress made to date. It looks forward to March 2009 and includes the preparation of our Audit & Inspection Plan for 2009/10. We will update this for the next meeting to include the name of the lead contact officer for the Council.

Audit Commission Work Programme											
Work stream	Description	June-08	Jul-08	Aug-08	Sept-08	Oct 08	Nov 08	Dec-08	Jan 09	Feb 09	Mar 09
2007/08 audit work remaining as at September 2008											
Workforce planning follow-up (Audit Commission lead - Kam Shergill)	Update progress on previous work				Work starts	Report findings to BHCC					
Good governance (Audit Commission lead - Alex Orme)	Review of the arrangements in place and how they operate. To include the Commission's online survey 'Your business @ risk'.				Work begins			Complete work	Issue report		
Audit of accounts (Audit Commission lead - Grahame Brown)	Give opinion on the 2007/08 accounts. Certify the Whole of Government Accounts (WGA) return for 2007/08 to the Treasury.	Accounts approved by Audit Committee on 26 June 08	Audit work starts	Audit work continues	Issue AGR and audit opinion by 30 Sept 08	Certify WGA return Final accounts report to officers.					

Audit Commission Work Programme											
VFM conclusion 2007/08 (Audit Commission lead - Grahame Brown)	Form overall conclusion on the Value for Money (VFM) using the Commission's criteria			Audit work starts	Issue Annual Governance Report. Give VFM conclusion by 30 Sept 08						
2008/09 audit work											
Audit and Inspection Plan 2008/09 (Audit Commission lead - Helen Thompson)	Audit and inspection work programme established	Plan issued to Audit Committee									
Use of Resources (UoR) 2008 (Audit Commission lead - Grahame Brown)	Produce score using the Commission's Key Lines of Enquiry 2008			Audit work starts	Audit work continues	Issue scores	Issue UoR report to officers				
Data quality (Audit Commission lead - Grahame Brown)	Management arrangements (stage 1), inclusion check (stage 2) and detailed testing of a sample of performance indicators (Pis) (stage3)		Stage 1 starts		Stages 2 & 3 begin	Finish work (except HB) and report to the .AC	Complete housing benefit Pis and report to AC		Report to officers		

Main conclusions

Audit Commission Work Programme											
Grant claims and returns (Audit Commission lead - Grahame Brown)	Review claims and returns submitted to us in accordance with certification instructions issued by the Audit Commission		Early work on Housing Benefits	Early work on NNDR, Teachers' Pensions and Housing Base Data	Certification of claims and returns by deadlines	Certification of claims and returns by deadline	Certification of claims and returns by deadlines	Certification of claims and returns by deadlines			
Direction of Travel (DoT) 2008 (Audit Commission lead - Sandra Prail)	Assessment led by Comprehensive Area Assessment Lead									Comprehensive Performance Assessment published. Discussions with Cabinet on 12 Feb 09 and Audit Committee on 24 Feb 09.	Formal DoT report
Waste PFI contract (Audit Commission lead - Mike Allen)	Review of renegotiated contract				Works starts			Issue report to officers			
Health inequalities	A joint review with Brighton & Hove PCT to review the response to incidences of health inequalities in the City.						Issue project brief			Issue report to officers	

Audit Commission Work Programme											
Other Use of Resources work agreed with BHCC (Audit Commission lead - Helen Thompson)	Further details will be added as the scope and timetable for individual reviews are agreed.										
Audit of accounts (Audit Commission lead - Grahame Brown)	Give opinion on the 2008/09 accounts. Certify the Whole of Government Accounts (WGA) return for 2008/09 to the Treasury. (Dates to be inserted into future progress reports).										
VFM conclusion (Audit Commission lead - Grahame Brown)	Form overall conclusion on the Value for Money (VFM) using the Commission's criteria. (Dates to be inserted into future progress reports)										
Annual Audit & Inspection Letter (Audit Commission lead - Helen Thompson)	Summarises the key findings from the audit work undertaken.								Officer meeting (TBC)	Cabinet 12 Feb 09 Audit Committee 24 Feb 09.	

Main conclusions

Audit Commission Work Programme											
2009/10 audit work											
Audit and Inspection Plan 2009/10 (Audit Commission lead - Helen Thompson)										<i>Meet officers (TBC)</i>	<i>Cabinet 12 Feb 09 Audit Committee 24 Feb 09.</i>

Note - dates in italics are anticipated dates and may be subject to change.

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