

Audit Summary Report

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# **Progress report to Audit Committee**

**Aylesbury Vale District Council**

**Audit 2007/08**

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local and national services for the public. Our remit covers more than 15,000 bodies which between them spend nearly £125 billion of public money every year. Our work covers local government, housing, health, criminal justice and fire and rescue services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we monitor spending to ensure public services are good value for money.

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## Introduction

- 1 Our principal objective as the Council's appointed auditor is to carry out an audit which meets the Audit Commission's Code of Audit Practice. This report sets out the progress made in delivering the work set out in our 2007/08 and 2008/9 audit plans.

## Our responsibilities

- 2 In carrying out audit work, we comply with the statutory requirements governing it, in particular:
  - the Audit Commission Act 1998
  - the Code of Audit Practice (the Code).
- 3 Our audit is also planned to be consistent with the Commission's Strategic Plan. The Code sets out two key objectives for our audit:
  - accounts; and
  - use of resources.

## Reporting

- 4 Each year, the Audit Commission, as part of its planning process, produces a risk-based audit plan, which is tailored to the individual circumstances of the Council and meets the requirements of the Code of Audit Practice. This includes a use of resources programme which takes account of Audit Commission national requirements and local projects arising from our risk based planning.
- 5 The draft Audit Plan is discussed and agreed with the Head of Finance. It is circulated to other members of the management team for comment prior to presentation to the Council's Audit Committee.
- 6 The Audit Commission will report progress on the various elements of our work to the Council's Audit Committee as part of the regular progress report.
- 7 Draft and final reports will be sent to lead officers for comment/observation prior to being sent to the Audit Committee with, where relevant, a completed accompanying action plan.
- 8 A summary of the key findings will be reported in the Annual Audit and Inspection Letter.

## Progress

- 9 Progress to date on our main blocks of work is set out in Appendix 1 and indicates when our work will be completed. We will provide reports, or other

output as agreed, to the Audit Committee for each of the audits identified in the plan.

### 2007/08 audit

- 10 Progress on the planned outputs of our work programme for the 2007/08 audit is covered in Appendix 1.
- 11 In addition, we have raised the main issues from our work in the annual governance report to those charged with governance (the Audit Committee) which is a separate agenda item for this Committee.

### 2008/09 audit

- 12 The plan for our 2008/09 audit was brought to the 17 March 2008 Committee. At that stage, the Commission was consulting nationally on its proposals for the scale of fees for 2008/09. The Commission has subsequently revised downwards its scale of fees and this is reflected in the audit plan which is submitted as a separate agenda for this Committee meeting.
- 13 This revised plan was agreed at the 24 June 2008 Committee.

## Key contacts

- 14 If you have any concerns on any aspect of the audit then please contact one of our key contacts.

Name	Title
Mick West	Relationship Manager and District Auditor 0844 798 8990 m-west@audit-commission.co.uk
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## Appendix 1 – Planned outputs for 2007/08 audit

Output	Details	Start date	Draft due date	Finalised	Comment
Audit Plan	Sets out the agreed content and timing of all aspects of the external audit for the financial year 2007/08.	March 2007	April 2007	April 2007	
Interim audit memo	Memorandum of issues arising from our assessment of the Council's key financial systems including the evaluation and testing of key controls (with reliance on internal audit as appropriate).	March 2008	April 2008	April 2008	Our work is complete - we will incorporate the issues arising into our final accounts memo. Major findings are also included in the annual governance report.
Final accounts memo	Memorandum of issues arising from our audit of the Council's financial statements for 2007/08.	July 2008	October 2008		This is due to be reported to 5 November 2008 Audit Committee.
Report to those charged with governance (ISA 260)	Our annual governance report in which - in accordance with the International Standards on Auditing - we report on the findings of our audit of the financial statements and our use of resources audit.	September 2008	September 2008		This report is attached as a separate agenda item.

Output	Details	Start date	Draft due date	Finalised	Comment
Whole of Government Accounts (WGA)	Audit of WGA data returns to ensure consistency with main financial statements.	September 2008	September 2008		This is due to be reported to 5 November 2008 Audit Committee.
Audit Opinion	<p>Audit of financial statements leading to:</p> <ul style="list-style-type: none"> <li>• audit opinion on the financial statements;</li> <li>• assessment whether the statement of internal control has been presented in accordance with relevant requirements.</li> </ul>	June 2008	September 2008		This is due to be reported to 5 November 2008 Audit Committee with an update at the 16 September 2008 Committee. We also refer to the issues arising to date in our annual governance report.
Direction of Travel	Provides focus for continuous improvement. Update on progress assessment for reporting in the CPA scorecard.	January 2009	February 2009		This will be included in our Annual Audit and Inspection Letter in March 2009.
Data Quality (Performance Indicators)	<ul style="list-style-type: none"> <li>• Review of overall arrangements to secure data quality</li> <li>• Completeness check of reported PI information</li> <li>• Data quality spot checks (focus on housing benefit)</li> </ul>	May 2008	November 2008		We have completed stage 1 of this work and have discussed initial findings with officers. This report is due to be reported to 8 December 2008 Audit Committee.
Grant claims (various)	Audit of NNDR and Housing Benefit claims	September 2008	November 2008		

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Output	Details	Start date	Draft due date	Finalised	Comment
Use of resources	Qualitative assessments of the effectiveness of the Council's arrangements for use of resources based on our five key lines of enquiry (KLOEs).				Overall score 2 in 2007. (3 in 2006)
	Financial reporting	September 2008	October 2008		We are carrying out this work in conjunction with our opinion audit. Score 1 in 2007 (2 in 2006)
	Financial management	April 2008	October 2008		Our initial assessment will be updated in conjunction with our opinion audit. Score 3 in 2007 (3 in 2006)
	Financial standing	September 2007	October 2008		We are carrying out this work in conjunction with our opinion audit. Score 3 in 2007 (3 in 2006)
	Internal control	April 2008	October 2008		Our initial assessment will be updated in conjunction with our opinion audit. Score 3 in 2007 (3 in 2006)
	Value for money	April 2008	October 2008		Our initial assessment will be updated in conjunction with our opinion audit. Score 2 in 2007 (2 in 2006)



<b>Output</b>	<b>Details</b>	<b>Start date</b>	<b>Draft due date</b>	<b>Finalised</b>	<b>Comment</b>
Annual Audit and Inspection Letter	Summary of the main findings from our overall programme of work for the 2007/08 audit.	January 2009	February 2009		We would expect to bring the 2007/08 annual audit and inspection letter to the 16 March 2009 Audit Committee.
<b>Other work</b>					
Triennial review of internal audit	Requirement of discharging our responsibilities is to carry out a triennial review of the Council's internal audit service to ensure it meets the relevant standards.	January 2008		March 2008	Service is compliant with relevant standards; we are able to place reliance on internal audit's work as part of our audit. Some minor recommendations; discussed with the Head of Internal Audit but we do not intend to produce a report.
Capital programme management	Ensure effective overall arrangements for the management of the Council's large and complex capital programme.	June 2008			A project specification has been shared with senior officers. This work will now be undertaken in addition to our 2008/09 audit work.