

Audit Progress Report

South Cambridgeshire District Council

Audit 2009/10

June 2010

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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 members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

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

Introduction

- 1 This report summarises progress up to 15 June 2010 against the audit plan for 2009/10 for the meeting of the Corporate Governance Committee (CGC) on 29 June 2010. It highlights progress since the CGC meeting on 31 March 2010. The table at Appendix 1 summarises progress on the various parts of the audit plan for 2009/10.
- 2 The key issues to draw to the Committee's attention are:
 - My audit opinion plan setting out the revised 2009/10 audit fee, and the key risks associated with the 2009/10 opinion audit and value for money conclusion is on the agenda for this meeting of the CGC;
 - Interim audit work is completed and the required substantive testing identified as a result will be integrated into my post statements work. I did not identify any instances of significant control weaknesses which would require reporting back to the CGC, apart from the previously identified issues around the:
 - fixed asset register and the reconciliation to the housing rents and housing maintenance databases; and
 - in-year classification, and therefore reporting, of capital expenditure;
 - As part of the managed audit regime I have reviewed the work of internal audit and sought to place reliance on this work where possible. A detailed protocol setting out the respective roles and working practices is currently being drafted. The protocol will seek to increase the reliance that external audit can place on internal audit's work and maximise audit coverage;
 - Use of resources work has been substantially completed. However, due to recent Government announcements I will not be undertaking any further work on use of resources and will not be reporting updated scores for 2009/10. The work I have already completed will however inform the 2009/10 value for money conclusion, which will be issued with my opinion in September. This work is complete with the exception of my assessment of whether the Council "is making effective use of natural resources", where I have currently assessed arrangements as inadequate and have therefore given officers the opportunity to provide further evidence. As reported by officers on 31 March 2010, processes and procedures have been introduced in a number of areas reported upon last year but further work is still required and successful outcomes from the changes will take longer to become apparent;
 - Grant and return certification 2008/09: The final return in respect of 2008/09, the Whole of Government Accounts return, was submitted on 23 April 2010. The major impact of my 2008/09 grant work was the ongoing reduction in the annual housing subsidy amount payable to the Government from 2010/11 of some £323,000;
 - Grant and return certification work 2009/10: No claims have yet been submitted for audit;
 - I have discussed and agreed my 2010/11 audit fees with officers. The 2010/11 audit fee letter is included on the agenda for this meeting of the CGC.

Action for the Committee

- 3 I ask the Committee to note the progress report.

Appendix 1 – Progress of 2009/10 audit

Audit Product	Timescale in plan	Comments on current position
Opinion Audit Plan	March 2010	Final version of opinion audit plan discussed and agreed with officers in April 2010 and is on the agenda for the June 2010 Committee
Annual governance report	September 2010	Work on the financial statements will begin in July 2010. A draft report will be presented to officers by early September and a final version to the September meeting of the Committee
Auditor's report, giving an opinion on the financial statements and value for money conclusion	September 2010	Deadline for the 2009/10 opinion is 30 September 2010.
Final accounts memorandum to the Executive Director Corporate Services	November 2010	If required this will include any issues for management that are too insignificant to merit inclusion in the annual governance report
Annual audit letter	December 2010	Not yet due.