

1 Audit of accounts, 2007/08

We have recently completed our interim audit visit. This is the phase of the audit where we review the controls that are in place, relying on the work of Internal Audit where possible.

We are currently drafting our Interim Report which will set out our findings in more detail. In summary:

- the Authority has made progress in improving controls since our last review, though some weaknesses remain;
- in particular, bank reconciliations were not performed for all accounts during the year, and the year end reconciliations for some accounts were still being completed at the time of our work; and
- officers have made some progress with the preparatory work needed for the changes in accounting standards (the SORP) which take effect this year, though, in most cases, the year end adjustments were still in progress at the time of our work, so we have not formed a definitive view as to the adequacy and appropriateness of the Authority's approach.

We are continuing our dialogue with officers on emerging issues in the accounts production process to help ensure a smooth audit later in the year.

2 Planning future audit work

We have recently drafted the audit elements of the Audit Commission's Annual Audit and Inspection Plan for 2008/09; this is (at the time of writing) with the Authority's Comprehensive Area Assessment Lead (CAAL), Nigel Toms, and will shortly be issued as a combined plan covering all audit and inspection work to take place at the Authority.

The audit elements of the Plan comprise the work mandated by the Audit Commission (audit of accounts, Use of Resources scored judgement and Data Quality audit) and any additional work which we believe we need to undertake in order to give our opinion on the Authority's accounts and conclusion on its use of resources. The risks that we have identified are:

- Single Status;
- Management restructuring;
- Westbridge depot;
- Disposal of trade waste service;
- Financial reporting processes;
- International Financial Reporting Standards; and
- Changes in the 2008 SORP.

The Data Quality and Use of Resources assessments completed in 2008 form part of this Plan. We have already commenced discussions with officers to plan this work and will update the Committee on progress in future meetings.