

Progress report

March 2011

Northampton Borough Council

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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Introduction

1 This report sets out progress against the audit work included in our 2009/10 and 2010/11 audit plans. In carrying out our audit duties, we have to comply with the statutory requirements governing them, including the Audit Commission Act 1998 and the Code of Audit Practice (the Code).

2 The Code defines auditors' responsibilities in relation to:

- the annual financial statements; and
- the Council's arrangements for securing economy, efficiency and effectiveness in the use of its resources.

3 Our plans are subject to continuous review and refinement to take account of emerging risks, additional work specified by the Audit Commission or other regulators and changes in statutory or professional requirements.

Performance against plan

4 The tables below show the current position on the main areas of our work for 2009/10 and 2010/11. Changes since our last progress report are shown in *italics*.

Table 1: **2009/10 audit and inspection plan**

All 2009/10 work has been completed.

Area of work	Target completion date	Current position
Audit Plan (fee letter).	-	● Complete. Issued 8 June March 2009.
Joint working protocol - internal audit	-	● Complete. Not formally finalised but superseded by 2010/11 protocol.
Joint working protocol - financial statements	-	● Complete. <i>Issued 20th April 2010</i>
Audit Opinion Plan.	-	● <i>Complete</i> <i>Issued 11 May 2010.</i>
Annual Governance Report.	September 2010	● <i>Complete.</i> <i>Issued 23 September 2010.</i>
Opinion on the financial statements and value for money conclusion.	September 2010	● <i>Complete.</i> <i>Issued 5 October 2010</i>
Annual Audit Letter.	November 2010	● <i>Complete.</i> <i>Issued 29 November 2010.</i>
Certification of grant claims and returns: summary report.	February 2011	● <i>Complete.</i> <i>Issued 13 December 2010.</i>

Table 2: **2010/11 Audit and inspection plan**

All work is progressing according to plan

Area of work	Target completion date	Current position
Audit Plan (fee letter).	April 2010	<p>● Complete. Fee letter issued 28 April 2010.</p>
Use of Resources	September 2010	<p>● All work ceased in May 2010 following the government's announcement to abolish Comprehensive Area Assessment (CAA). Work completed prior to abolition was used to support our 2009/10 VFM conclusion and reported in the Annual Governance Report on 23 September 2010. <i>The Commission has agreed a fee rebate of 1.5%</i></p>
Managing Performance Assessment	October 2010	<p>● All work ceased for the same reason as above. <i>The Commission will not charge the planned fee of £8,320</i></p>
Joint working protocol - internal audit	-	<p>● Complete. <i>Issued 11 October 2010</i></p>
Joint working protocol - financial statements	-	<p>● Complete. <i>Issued 26 January 2011</i></p>
Audit Opinion Plan.	May 2011	<p>● Not yet due.</p>
Annual Governance Report.	September 2011	<p>● Not yet due.</p>
Opinion on the financial statements and value for money conclusion.	September 2011	<p>● In progress. <i>Review of key financial systems is substantially complete with no significant matters arising. Early review of restated balances under International Financial Reporting Standards (IFRS) is progressing slower than expected, but all items reviewed so far have been well documented and evidenced and there are no significant areas of concern to date. Audit of the 2010/11 financial</i></p>

Area of work	Target completion date	Current position
		<i>statements provisionally agreed to commence on 18 July 2011.</i>
Final Accounts Report.	October 2011 (If required)	● Not yet due.
Annual Audit Letter.	December 2011	● Not yet due.
Certification of grant claims and returns: summary report.	February 2012	● <i>In progress.</i> <i>Arrangements in respect of the Housing & Council Tax Benefit claim are being discussed with officers with a view to the Council undertaking the initial testing to reduce audit fees. Testing expected to commence in June 2011.</i>

Appendix 1 Audit reports issued

The following local audit reports have been issued since the last Audit Committee meeting (10 January 2011).

- Joint working protocol - financial statements 2010/11

The following national Audit Commission local government reports have been published since our last progress report to the Audit Committee. All reports have been published on the Audit Commission's web site www.audit-commission.gov.uk.

- A review of collaborative procurement across the public sector (joint report with NAO) (May 2010)
- Against the odds: Re-engaging young people in education, employment or training (July 2010)
- Local government pensions in England: An information paper (July 2010)
- Local Government Claims & Returns: Report on certification work 2008/09 (July 2010)
- Strategic financial management in councils: Delivering services with a reduced income (September 2010)
- International Financial Reporting Standards: Progress on the transition to IFRS (October 2010)
- Protecting the public purse 2010 - Fighting fraud against local government and local taxpayers (October 2010)
- Financial management of personal budgets - Challenges and opportunities for councils (October 2010)
- Reporting on operating segments - Countdown to IFRS in local government (October 2010)
- Proposed work programme and scales of fees 2011/12 - Local government, housing and community safety - consultation document (December 2010)
- Auditing the accounts 2009/10 - Report on the quality and timeliness of financial reporting (December 2010)
- New approach to VFM audit (December 2010)
- Work programme and scales of fees 2011/12 (February 2011)