

# Progress Report

# September 2009

Oxford City Council

Audit 2008/09 and 2009/10

Date **7 September 2009**

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# Contents

<b>Introduction</b>	<b>3</b>
<b>Appendix 1 – Planned outputs</b>	<b>5</b>
<b>The Audit Commission</b>	<b>12</b>

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## Status of our reports

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 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 we have made in delivering the work set out in our 2008/09 and 2009/10 audit plans.
- 2 Our audit plans set out our proposed plan of work and is based on the Audit Commission's risk-based approach to audit planning. It reflects:
  - Audit and inspection work specified by the Audit Commission;
  - Current national risks relevant to your local circumstances; and
  - Your local risks and improvement priorities.

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## Our responsibilities

- 3 In carrying out audit work, we comply with the statutory requirements governing it, in particular the:
  - Audit Commission Act 1998
  - Local Government Act 1999 (best value inspection and audit); and
  - Code of Audit Practice (the Code).
- 4 Our audit is also planned to be consistent with the Commission's Strategic Plan.
- 5 The new Audit Commission Code came into effect from April 2005 and has been developed on the basis of the Commission's model of public audit, which defines auditors' responsibilities in relation to:
  - the audited body's financial statements and its statement of internal control; and
  - whether the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

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## Reporting

- 6 The Audit Commission, as part of its planning process, will produce 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 will include a use of resources programme which takes account of Audit Commission national requirements and local projects arising from our risk based planning.
- 7 The draft Audit Plan will be discussed and agreed with the Council's Chief Executive and Head of Performance, Policy and Communications. The Chief Executive will circulate to other members of the management team for comment prior to presentation to the Council's Audit and Governance Committee

- 8 Executive Directors will nominate a lead officer and operational manager for each project in the agreed Audit Plan. Lead officers will be required to agree the scope of the project, agree the final report and recommendations and ensure these are implemented in accordance with the agreed action plan.
- 9 The Audit Commission will report progress on each project to the Council's Audit and Governance Committee as part of the regular progress report.
- 10 Draft and final reports will be sent to lead officers for comment/observation. The lead officer must respond to the Audit Commission, and where appropriate complete an accompanying action plan, within two weeks of receipt.
- 11 Final audit reports will be reported to the Council's Chief Executive, the Lead Executive Director and the Head of Policy, Performance and Communications to reporting to the Audit and Governance Committee.
- 12 A summary of the key findings for each project will be reported in the Annual Audit Letter.

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### Progress

- 13 Progress to date on our main blocks of work is set out in the attached appendix.

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### Key contacts

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

Name	Title
Maria Grindley	District Auditor 0844 798 8952 m-grindley@audit-commission.gov.uk
John Bull	Audit Manager 0844 798 8954 j-bull@audit-commission.gov.uk
Alison Dewar	Local Performance Lead 07789 033769 a-dewar@audit-commission.gov.uk

# Appendix 1 – Planned outputs

Audit Plan	Work programmed or carried out	Lead officer	Status	Target report date	Draft report date	Final report date
<b>2008/09 Audit</b>						
<b>Arrangements for securing value for money in its use of resources</b>						
Equality and Diversity	Assessment of how the Council is improving its approach to diversity, equalities and community cohesion.	Head of Performance, Policy and Comms	Work complete, final report attached with agenda papers.	March 2009	March 2009	August 2009
Health Inequalities	Phase 2 of our county-wide risk assessment - the focus is on establishing the effectiveness of the Oxfordshire Health Inequalities Partnership (Health and Well Being Board).	Chief Executive	Draft report currently being written.			
Use of Resources	Generic assessment of how well organisations are managing and using the resources the resources to deliver value for money and better sustainable outcomes for local people consisting of: <ul style="list-style-type: none"> <li>• sound and strategic financial management</li> </ul>	Head of Policy, Performance and Comms Head of Finance	Work complete, currently subject to national moderation.	September 2009.		

<b>Audit Plan</b>	<b>Work programmed or carried out</b>	<b>Lead officer</b>	<b>Status</b>	<b>Target report date</b>	<b>Draft report date</b>	<b>Final report date</b>
	<ul style="list-style-type: none"> <li>• strategic commissioning and good governance</li> <li>• management of natural resources, assets and people.</li> </ul>					
Data Quality	Overall arrangements covered in Use of Resources but separate data quality spot checks	Head of Policy, Performance and Comms	Work currently being finalised.	Oct 2009		
<b>Inspection work</b>						
Regeneration Inspection	Formal Inspection using Audit Commission KLOEs	Executive Director- City Regeneration	Work complete.	March 2009	March 2009	18 June 2009
<b>Opinion 2008/09</b>						
Interim visit	Assessment of Authority's key financial systems including the evaluation and testing of key controls (reliance on internal audit as appropriate).	Head of Financial and Asset Management	Work complete, final report attached with agenda papers.	May 2009	May 2009	Sept 2009
Final Accounts	Audit of financial statements leading to; <ul style="list-style-type: none"> <li>• audit opinion on the financial statements.</li> <li>• assessment whether the Annual Governance Statement has been</li> </ul>	Head of Financial and Asset Management	Work substantially complete but on-going issues with fixed assets. Verbal update to Audit and Governance Committee Sept 2009.	September 2009		

<b>Audit Plan</b>	<b>Work programmed or carried out</b>	<b>Lead officer</b>	<b>Status</b>	<b>Target report date</b>	<b>Draft report date</b>	<b>Final report date</b>
	presented in accordance with relevant requirements.					
Whole of Government accounts	Audit of WGA data returns to ensure consistency with main financial statements.	Head of Financial and Asset Management	Work to be undertaken at same time as final accounts.	1 Oct 2009 to meet national deadlines.		
<b>General Reporting</b>						
Annual Audit Letter 2008/09	Draws together the main findings of the audit. To be discussed with Chief Officers prior to presentation to the Authority's Audit Committee.	Chief Executive / Head of Performance, Policy & Comms	To be undertaken later in year	Nov 2009		
<b>2009/10 Audit</b>						
Audit Plan	Sets out the agreed content and timing of all aspects of the external audit for the financial year 2009/10.	Chief Executive / Head of Performance, Policy and Comms	Fee discussed with Chief Executive prior to presentation to Audit Committee on	March 2009	Letter to Chief Executive March 2009	21 April 2009
Annual Audit Letter 2009/10	Draws together the main findings of the audit.	Chief Executive / Head of Performance, Policy and Comms	To be undertaken later in the year.	November 2010		

Audit Plan	Work programmed or carried out	Lead officer	Status	Target report date	Draft report date	Final report date
<b>Opinion</b>						
Interim visit	Assessment of Authority's key financial systems including the evaluation and testing of key controls (reliance on internal audit as appropriate).	Head of Financial and Asset Management	To be undertaken late 2009			
Final Accounts	Audit of financial statements leading to; <ul style="list-style-type: none"> <li>● audit opinion on the financial statements.</li> <li>● assessment whether the Annual Governance Statement has been presented in accordance with relevant requirements.</li> </ul>	Head of Financial and Asset Management	Work to be undertaken summer 2010 with a view to issuing an opinion by 30 September 2010 to meet national deadlines.	September 2010		
Whole of Government accounts	Audit of WGA data returns to ensure consistency with main financial statements.	Head of Financial and Asset Management	Work to be undertaken at same time as final accounts.	1 Oct 2010 to meet national deadlines.		



Audit Plan	Work programmed or carried out	Lead officer	Status	Target report date	Draft report date	Final report date
<b>Arrangements for securing value for money in its use of resources</b>						
Use of Resources	<p>Generic assessment of how well organisations are managing and using the resources the resources to deliver value for money and better sustainable outcomes for local people consisting of:</p> <ul style="list-style-type: none"> <li>• sound and strategic financial management</li> <li>• strategic commissioning and good governance</li> <li>• management of natural resources, assets and people.</li> </ul>	<p>Head of Policy, Performance and Comms Head of Finance</p>	Work to be reported as part of organisational assessment.	Autumn 2010		
Data Quality	Overall arrangements covered in Use of Resources but separate data quality spot checks	Head of Policy, Performance and Comms	Work to be undertaken summer 2010			
Income from fees and charges - phase 2	The Council's income from discretionary services is around £10m. During 2008 we undertook a high level review. Phase 2 will 'drill-down' into specific income areas.	Head of Policy, Performance and Comms	Work complete and draft report issued to officers.	August 2009	Sept 2009	

<b>Audit Plan</b>	<b>Work programmed or carried out</b>	<b>Lead officer</b>	<b>Status</b>	<b>Target report date</b>	<b>Draft report date</b>	<b>Final report date</b>
Management of assets	A review of the management of the Council's assets including a follow-up of the recommendations in our 2007/08 report. The outcome will also help inform the next round of UoR assessments	Head of Policy, Performance and Comms	Detailed project spec currently being worked on.			
Follow-up of previous vfm studies	A follow-up of recommendations from previous vfm studies.	Head of Policy, Performance and Comms				
Organisational assessment	Provides focus for continuous improvement and includes UoR assessment plus assessment on managing performance.	Chief Executive Head of Policy, Performance and Comms	Work to be reported in 2008/09 AAL and feeds into the new Comprehensive Area Assessment.	Autumn 2009.		

<b>Grant Claims</b>					
<b>Grant claim</b>	<b>Details</b>	<b>Key contact</b>	<b>Progress</b>	<b>Received</b>	<b>Certified</b>
BEN01	Housing and Council Tax benefits - due 31 May 2009	Pauline Hull	Work substantially complete	May 2009	
HOU01	Housing Subsidy – claim due 29 Sept 2009	Roy Summers			
HOU02	Base data return – claim due 31 August 2009	Roy Summers	Work not yet started	26 Aug 09	
HOU21	Disabled facility grant – claim due 31 August 2009	Roy Summers	Work currently in progress	2 July 09	
LA01	NNDR – claim due 27 June 2009	Adrian Wood	Claim received by due date and now certified	6 July 09	15 Aug 09
CFB06	Pooling of Housing Capital Receipts - due 30 June 2009	Anna Winship	Work currently in progress	2 July 09	

**Note:**

The above list is where a return is definitely required. Other returns may be relevant to the Council and the Council will need to ensure claims are submitted at the appropriate time. Submission dates quoted are subject to final confirmation from the appropriate government department.

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# The Audit Commission

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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## Copies of this report

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