

# Audit Commission Progress Report

Oxford City Council

Audit 2008/09 and 2009/10

Date **January 2010**

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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, produced 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.
- 7 The Audit Plan was discussed and agreed with the Council's Chief Executive and Head of Performance, Policy and Communications. The Chief Executive circulated to other members of the management team for comment prior to presentation to the Council's Audit and Governance Committee.

- 8 Executive Directors nominate a lead officer and operational manager for each project in the agreed Audit Plan. Lead officers are 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. 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 Director and the Head of Policy, Performance and Communications prior 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.

### Progress

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

### 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<br>0844 798 8952<br>m-grindley@audit-commission.gov.uk       |
| Alan Witty     | Audit Manager<br>0844 798 8956<br>a-witty@audit-commission.gov.uk             |
| Clare Buchanan | Local Performance Lead<br>0844 798 4455<br>c-buchanan@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 and report finalised.                  | 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 issued to Oxfordshire PCT October 2009. | October 2009       | October 2009      | November 2009     |
| 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 report finalised.                  | August 2009        | September 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>                            |
|--|--|--|---------------|---------------------------|--------------------------|---|
| 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<br/>Head of Finance</p> | Completed     | September 2009            | September 2009           | Included in Annual Governance Report September 2009 |
| Data Quality   | Overall arrangements covered in Use of Resources but separate data quality spot checks   | Head of Policy, Performance and Comms                            | Completed     | October 2009              |                          | Included in Annual Audit Letter November 2009       |
| <b>Inspection work</b>                               |  |  |               |                           |                          |   |
| Regeneration Inspection                              | Formal Inspection using Audit Commission KLOEs   | Executive Director- City Regeneration                            | Completed     | March 2009                | March 2009               | 18 June 2009  |
| Organisational assessment and Performance Management | Provides focus for continuous improvement and includes UoR assessment plus assessment on managing performance.   | Chief Executive<br>Head of Policy, Performance                   | Completed     | October 2009              | December 2009            | December 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> |
|------------------------------|---|--|--|--|--------------------------|--------------------------|
|                              |   | and Comms                              |  |  |                          |                          |
| <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 | Completed  | May 2009                               | May 2009                 | September 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 | Complete and signed off.                         | September 2009                         | September 2009           | September 2009           |
| Whole of Government accounts | Audit of WGA data returns to ensure consistency with main financial statements.   | Head of Financial and Asset Management | Complete and signed off.                         | 1 Oct 2009 to meet national deadlines. |                          | 1 October 2009           |
| <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   | Chief Executive / Head of Performance, | Draft to be issued to Officers in November 2009. | November 2009                          | November 2009            | December 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> |
|-----------------------------|--|---|---|---------------------------|--------------------------------------|--------------------------|
|                             | Authority's Audit Committee.   | Policy & Comms  |   |                           |                                      |                          |
| <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 and Governance Committee                | 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 | Not yet due   | November 2010             |                                      |                          |
| <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                  | Work is currently being planned and the bulk of the work will be undertaken in February 2010.             | March 2010                |                                      |                          |
| 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</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 | September 2010            |                                      |                          |



| Audit Plan   | Work programmed or carried out  | Lead officer   | Status  | Target report date                     | Draft report date | Final report date |
|--|---|--|---|--|-------------------|-------------------|
|  | Statement has been presented in accordance with relevant requirements.  |  | deadlines.  |  |                   |                   |
| 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. |                   |                   |
| <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> </ul> | <p>Head of Policy, Performance and Comms<br/>Head of Finance</p> | Work will be completed by March 2010.                 | March 2010                             |                   |                   |

| <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>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 planned.  | June 2010                               |                          |                          |
| Management of assets              | <p>A review of the management of the Council's assets including a follow-up of the recommendations in our 2007/08 report.</p> <p>The outcome will also help inform the next round of UoR assessments</p> | Head of Policy, Performance and Comms                    | Detailed project specification currently being worked on.                            | March 2010                              |                          |                          |
| Follow-up of previous vfm studies | A follow-up of recommendations from previous vfm studies.  | Head of Policy, Performance and Comms                    | Work currently being planned.  | Will be included in annual audit letter |                          |                          |
| Organisational assessment         | Provides focus for continuous improvement and includes UoR assessment plus assessment on managing performance.   | Chief Executive<br>Head of Policy, Performance and Comms | Work to be reported in 2009/10 AAL and feeds into the Comprehensive Area Assessment. | Autumn 2010                             |                          |                          |

| <b>Grant claims 2008/09</b> |                                     |                    |  |                         |                              |                       |                           |
|-----------------------------|-------------------------------------|--------------------|--|-------------------------|------------------------------|-----------------------|---------------------------|
| <b>Grant claim</b>          | <b>Details</b>                      | <b>Key contact</b> | <b>Progress</b>  | <b>Council deadline</b> | <b>Received from Council</b> | <b>Audit deadline</b> | <b>Certified by Audit</b> |
| BEN01                       | Housing and Council Tax benefits    | Pauline Hull       | Work complete and has been subject to internal Quality Control | 31 May 2009             | May 2009                     | 30 November 2009      | 9 October 2009            |
| HOU01                       | Housing Subsidy                     | Roy Summers        |  | 29 September 2009       | 29 September 2009            | 31 December 2009      | 1 December 2009           |
| HOU02                       | Base data return                    | Roy Summers        | Work not yet started   | 31 August 2009          | 26 August 2009               | 9 October 2009        | 9 October 2009            |
| HOU21                       | Disabled facility grant             | Roy Summers        | Work currently in progress                                     | 31 August 2009          | 2 July 2009                  | 31 October 2009       | 9 October 2009            |
| LA01                        | NNDR                                | Adrian Wood        | Claim received by due date and now certified                   | 27 June 2009            | 6 July 2009                  | 25 September 2009     | 15 August 2009            |
| CFB06                       | Pooling of Housing Capital Receipts | Anna Winship       | Work currently in progress                                     | 30 June 2009            | 2 July 09                    | 30 September 2009     | 22 September 2009         |

**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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