

# Audit Commission Progress Report

Oxford City Council  
Date **January 2011**

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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 2009/10 and 2010/11 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; 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 March 2010 which sets out our principal objectives are to report on the Council's:

- financial statements; and
- arrangements for securing economy, efficiency and effectiveness in its use of resources.

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## 2010/11 audit work

6 Our work on your financial statements including work on your control environment and financial systems is unchanged. However our work on Comprehensive Area Assessment (CAA), including the use of resources assessment, was stopped immediately following a decision by the Government.

7 The Audit Commission will not be replacing the use of resources assessment. We are reducing auditors' value for money (VFM) work and removing any requirement for a scored assessment. However auditors still have a continuing statutory responsibility, as set out in the Code of Audit Practice 2010, to give a conclusion on whether councils have proper arrangements for securing VFM. Our aim is to focus this work on the auditor's core responsibilities and on local audit issues. We will also recognise the scale of the financial pressures for public bodies in the current economic climate.

8 We will introduce these changes for the 2010/11 accounts. We will give our VFM conclusion on the arrangements to secure economy, efficiency and effectiveness based on two criteria, specified by the Commission, related to a council's arrangements for:

- securing financial resilience – focusing on whether the council is managing its financial risks to secure a stable financial position for the foreseeable future; and
- challenging how it secures economy, efficiency and effectiveness – focusing on whether the council is prioritising its resources within tighter budgets and improving productivity and efficiency.

9 We will plan a local programme of VFM audit work based on our local audit risk assessment.

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### 2009/10 audit work

10 We have completed our work as outlined in our 2009/10 audit plan. We have included below the table of outputs with dates achieved for your information which is the final position statement for the 2009/10 audit.

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### Reporting

11 Draft and final reports will be sent to lead officers for comment. The lead officer must respond to us, and where appropriate complete an accompanying action plan, within two weeks of receipt.

12 Final audit reports will be reported to the Director of Finance and Efficiency prior to reporting to the Audit and Governance Committee.

13 A summary of the key findings will be reported in the Annual Audit Letter.

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### Progress

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

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### Key contacts

15 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  |

| Name | Title                           |
|------|---------------------------------|
|      | a-witty@audit-commission.gov.uk |

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# Appendix 1 Planned outputs

| Audit Plan                  | Work programmed or carried out  | Lead officer  | Status   | Start date    | Draft report date | Final report date |
|-----------------------------|---|---|--|---------------|-------------------|-------------------|
| <b>2010/11 Audit</b>        |   |   |  |               |                   |                   |
| Audit Fee Letter            | Sets out the agreed content and timing of all aspects of the external audit for the financial year 2010/10. | Chief Executive   | Fee discussed with Chief Executive prior to presentation to Audit and Governance Committee | March 2010    | March 2010        | 9 April 2010      |
| Audit Opinion Plan          | Sets out in detail our opinion work for financial year 2010/11.   | Chief Executive and Corporate Director Finance & Efficiency | Draft plan produced  | December 2010 | January 2011      |                   |
| Annual Audit Letter 2010/11 | Draws together the main findings of the audit.  | Chief Executive and Corporate Director Finance & Efficiency | Not yet due  | November 2011 | November 2011     |                   |

| Audit Plan                        | Work programmed or carried out  | Lead officer                            | Status               | Start date   | Draft report date                      | Final report date |
|-----------------------------------|---|---|----------------------|--------------|--|-------------------|
| <b>Opinion</b>                    |   |   |                      |              |  |                   |
| Interim visit                     | Assessment of Council's key financial systems including the evaluation and testing of key controls (reliance on internal audit as appropriate).   | Corporate Director Finance & Efficiency | In progress          | January 2011 | April 2011                             |                   |
| 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> | Corporate Director Finance & Efficiency | Not due to start yet | 11 July 2011 | 30 September 2011 for issue of opinion |                   |
| Whole of Government accounts      | Audit of WGA data returns to ensure consistency with main financial statements.   | Corporate Director Finance & Efficiency | Not due to start yet | 11 July 2011 | October 2010                           |                   |
| <b>Value for money conclusion</b> |   |   |                      |              |  |                   |
| Value for money conclusion        | <b>16</b> Undertake enough work to give our VFM conclusion on the arrangements to   | Corporate Director Finance &            | Planning stage       | January 2011 | 30 September 2011 for                  |                   |

| <b>Audit Plan</b>                          | <b>Work programmed or carried out</b>  | <b>Lead officer</b>                     | <b>Status</b> | <b>Start date</b> | <b>Draft report date</b> | <b>Final report date</b> |
|--|--|---|---------------|-------------------|--------------------------|--------------------------|
|  | secure economy, efficiency and effectiveness based on two criteria, related to a council's arrangements for: <ul style="list-style-type: none"> <li>● securing financial resilience; and</li> <li>● challenging how it secures economy, efficiency and effectiveness.</li> </ul> | Efficiency                              |               |                   | issue of opinion         |                          |
| Follow-up of previous external audit work. | A follow-up of recommendations from previous external audit work.  | Corporate Director Finance & Efficiency |               | January 2011      | April 2011               |                          |

| <b>Grant claims 2010/11</b> |                                  |                    |                 |                                     |                              |                                   |                           |
|-----------------------------|----------------------------------|--------------------|-----------------|-------------------------------------|------------------------------|-----------------------------------|---------------------------|
| <b>Grant claim</b>          | <b>Details</b>                   | <b>Key contact</b> | <b>Progress</b> | <b>Council deadline provisional</b> | <b>Received from Council</b> | <b>Audit deadline provisional</b> | <b>Certified by Audit</b> |
| BEN01                       | Housing and Council Tax benefits | Pauline Hull       |                 | 31 May 2011                         |                              | 30 November 2011                  |                           |
| HOU01                       | Housing Subsidy                  | Jane Rees          |                 | 30 September 2011                   |                              | 31 December 2011                  |                           |



|       |                                     |                                |  |                |  |                   |  |
|-------|-------------------------------------|--------------------------------|--|----------------|--|-------------------|--|
| HOU02 | Base data return                    | Jane Rees                      |  | 31 August 2011 |  | 7 October 2011    |  |
| HOU21 | Disabled facility grant             | Paul Swaffield/<br>John Exeley |  | 30 June 2011   |  | 28 October 2011   |  |
| LA01  | NNDR                                | Adrian Wood                    |  | 24 June 2011   |  | 23 September 2011 |  |
| CFB06 | Pooling of Housing Capital Receipts | Debbie Williams                |  | 30 June 2011   |  | 30 September 2011 |  |

**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.

| <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> |
|----------------------|---|---------------------|--|---------------------------|--------------------------------------|--------------------------|
| <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     | Fee discussed with Chief Executive prior to presentation to Audit and Governance Committee | March 2009                | Letter to Chief Executive March 2009 | 21 April 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> |
|-----------------------------|--|--|---------------|---|--------------------------|--------------------------|
| Audit Opinion Plan          | Sets out in detail our opinion work for financial year 2009/10   | Chief Executive and Acting Corporate Director Finance & Efficiency | Complete      | March 2010                              | March 2010               | April 2010               |
| Annual Audit Letter 2009/10 | Draws together the main findings of the audit.   | Chief Executive and Corporate Director Finance & Efficiency        | Complete      | November 2010                           | November 2010            | 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).  | Corporate Director Finance & Efficiency                            | Complete      | May 2010                                | July 2010                | September 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> | Corporate Director Finance & Efficiency                            | Complete      | 30 September 2010 for issue of opinion. | September 2010           | 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.   |   |  |  |   |                   |
| Whole of Government accounts   | Audit of WGA data returns to ensure consistency with main financial statements.  | Corporate Director Finance & Efficiency                     | Complete   | 1 Oct 2010 to meet national deadlines. | 1 October 2010  | October 2010      |
| <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 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> | Chief Executive and Corporate Director Finance & Efficiency | We will not be reporting scored assessments. The work will support our vfm conclusion. Key messages will be reported in our annual audit letter. | March 2010                             | Key messages will be reported in our annual audit letter. (see above for dates) | N/A               |
| Data Quality   | Overall arrangements covered in Use of   | Chief Executive   | No further work in this area will be   | June 2010                              | Key messages  | N/A               |

| <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> |
|-----------------------------------|---|---|---|---------------------------|--|--------------------------|
|                                   | Resources but separate data quality spot checks   | and<br>Corporate Director<br>Finance & Efficiency                 | completed.  |                           | will be reported in our annual audit letter. |                          |
| 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.<br>The outcome will also help inform the next round of UoR assessments | Chief Executive and Head of Property and Facilities Management.   | Report to the Audit and Governance meeting on 27 April 2010.                          | March 2010                | March 2010                                   | April 2010               |
| Follow-up of previous vfm studies | A follow-up of recommendations from previous vfm studies.   | Corporate Director<br>Finance & Efficiency                        | Responses now received.   | November 2010             | November 2010                                | November 2010            |
| Organisational assessment         | Provides focus for continuous improvement and includes UoR assessment plus assessment on managing performance.  | Chief Executive and<br>Corporate Director<br>Finance & Efficiency | All work related to CAA has ceased with immediate effect and will not be reported on. | Autumn<br>October 2010    | N/A  | N/A                      |

| <b>Grant claims 2009/10</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                   | Completed       | 31 May 2010             | 16 June 2010.                | 30 November 2010      | 2 November 2010           |
| HOU01                       | Housing Subsidy                     | Jane Rees                      | Completed       | 30 September 2010       | 30 September 2010            | 31 December 2010      | 20 December 2010          |
| HOU02                       | Base data return                    | Jane Rees                      | Completed       | 31 August 2010          | 31 August 2010               | 8 October 2010        | 21 October 2010           |
| HOU21                       | Disabled facility grant             | Paul Swaffield/<br>John Exeley | Completed       | 30 June 2010            | 28 June 2010                 | 29 October 2010       | 27 October 2010           |
| LA01                        | NNDR                                | Adrian Wood                    | Completed       | 25 June 2010            | 22 June 2010                 | 24 September 2010     | 23 September 2010         |
| CFB06                       | Pooling of Housing Capital Receipts | Debbie Williams                | Completed       | 30 June 2010            | 29 June 2010                 | 30 September 2010     | 29 September 2010         |

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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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