

Audit Progress Report

Kent County Council

Audit 2009/10

April 2010

Contents

Progress report	3
Progress update	4
Appendix 1 - Risk based use of resources work 2008/09	6
The Audit Commission	8

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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Progress report

Introduction

- 1 Our audit work is detailed in our audit plans which are presented to the Governance & Audit Committee annually. The plans set out a number of areas of work and this report provides a summary of progress to April 2010 against the 2009/10 plan. Further progress reports will be issued to future meetings of the Committee.

Background

- 2 Our plans set out our work in the following areas:
 - financial statements (including those relating to the Superannuation Fund) and Whole of Government Accounts;
 - value for money conclusion;
 - use of resources scored assessment;
 - risk-based use of resources work;
 - National Fraud Initiative; and
 - grant claims and returns.
- 3 An update on each of these is set out in the following sections of this report.

Progress update

Financial statements and Whole of Government Accounts 2009/10

- 4 We have substantially completed the pre-statements audit of the statements. This involves a review of the Council's key financial and information systems that contribute to the production of statements to see if we can rely upon them to produce accurate data for inclusion in the statements. A separate report on this work has been included on the Governance & Audit Committee's agenda for its meeting on 30 April 2010.
- 5 We aim to complete the rest of our detailed work on the financial statements in May and June 2010 and to present our Annual Governance Report to the Governance & Audit Committee's meeting on 30 June 2010. We expect to sign off our audit opinion on the statements in July 2010 and to issue a report to officers of the detailed findings following that.
- 6 In undertaking our work we are liaising closely with your officers in the finance teams across the Council and with your internal audit team. We have established effective working relationships over the previous two audits and this is proving particularly valuable at this audit as your statements need to reflect elements of the International Financial Reporting Standards for the first time. These Standards are the subject of reports on the Governance & Audit Committee's agenda for 30 April 2010.
- 7 We will certify the Council's Whole of Government Accounts return in October 2009 which is in line with the timetable set out by the Treasury.

Value for money conclusion 2009/10

- 8 Using the framework for assessment set out by the Audit Commission centrally, we have to reach a conclusion on whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The conclusion will be issued formally as part of our audit opinion on the financial statements for 2009/10. We arrive at this conclusion by considering the outcome from specific risk work in the year and the use of resources scored assessment. At this stage of our audit there are no matters to raise with you.

Use of resources scored assessment 2009/10

- 9 We are required by the Audit Commission to undertake a scored assessment each year of the way the Council uses its available resources to support the achievement of its priorities. Our assessment builds on our work at the previous audit and contributes to the Commission's Comprehensive Area Assessment of Kent which will be issued in November 2010.

National Fraud Initiative 2009/10

10 The Council participates in the Audit Commission's scheme that facilitates comparison of computerised data supplied by a number of organisations nationally in order to highlight potential cases of fraud. The 2009/10 data is now available and we are liaising with officers about the arrangements for further investigation of matches identified.

Grant claims and returns

11 Each year we are required to complete a specified programme of audit work on a number of claims and returns. This work will be completed in accordance with the deadlines set. A report on the findings from the work done on 2008/09 claims and returns has been included on the agenda for the Governance & Audit Committee meeting on 30 April 2010.

12 Our work on claims and returns for 2009/10 will start in Summer 2010.

Risk based use of resources work

13 The audit plan for 2009/10 show some areas of specific use of resources work. Appendix 1 sets out progress on these.

Appendix 1 - Risk based use of resources work 2009/10

Potential risks identified	Planned work in 2008/09 plan	Progress to date
<p>There is evidence of health inequalities across the county area. Joint working with health partners in the National Health Service (NHS) is needed to tackle the inequalities that exist.</p>	<p>We will undertake a follow up of our 2008/09 work to assess the progress made by the Health and Well Being Boards during 2009. Our findings will be issued jointly to all bodies involved in the review and an action plan prepared.</p>	<p>Our review is in progress and we expect to complete this work by October 2010.</p>
<p>Workforce planning underpins and supports improvements in service delivery. Where it is ineffective corporate ambitions might not be achieved.</p>	<p>We will review the effectiveness of the Council's existing workforce planning in terms of its contribution to the achievement of its vision by considering whether it addresses fully the Council's future workforce requirements including its plans for the ongoing development of its staff in order to fill identified future gaps.</p>	<p>We have facilitated at workshops with Council officers to inform our knowledge of the Council's arrangements and to identify opportunities to improve the way that the Council plans its workforce requirements for the future. The outputs from the workshops have been retained by officers and should be used to further improve the Council's planning in the future.</p>
<p>The transfer of responsibility of adults with learning disabilities from the NHS to local authorities needs to be achieved after consideration of a range of financial issues. The Council will have significant financial responsibilities for a large number of vulnerable people going forwards and</p>	<p>We will build on our work undertaken at the 2008/09 audit and monitor the progress made by attendance at key meetings and discussions with responsible officers. This work will be reported as part of our Annual Governance Report.</p>	<p>We continue to attend key meetings and there are no matters that need to be reported to the Committee at this time.</p>

Progress update

Potential risks identified	Planned work in 2008/09 plan	Progress to date
<p>there is a need to ensure that the Council understands the financial impact of the transfers.</p>		
<p>Participation in the Building Schools for the Future programme is technically demanding and requires effective project management at all stages from the application phase to completion. The Council will invest a significant amount of money in the programme and there remains is an ongoing risk until all schemes are completed.</p>	<p>We will undertake a high level overview of the Council's approach in order to ensure the arrangements in place ensure that the Council achieves value for money. This work will be reported as part of our Annual Governance Report.</p>	<p>We maintain a contact with key officers. There are no matters that require reporting to the Committee at this time</p>
<p>The current economic climate has impacted significantly on the finances of local authorities including increased demand for some services, reduction in income from charges levied and increased levels of debtors. Potentially this places the Council's financial health at risk.</p>	<p>We will monitor the Council's financial performance to see how well it is managing the impact of the current economic climate and assess the impact on its overall financial health. This work will be reported as part of our Annual Governance Report.</p>	<p>We continue to monitor the Council's financial performance. There are no matters to highlight for the Committee at this time.</p>

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.

Copies of this report

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