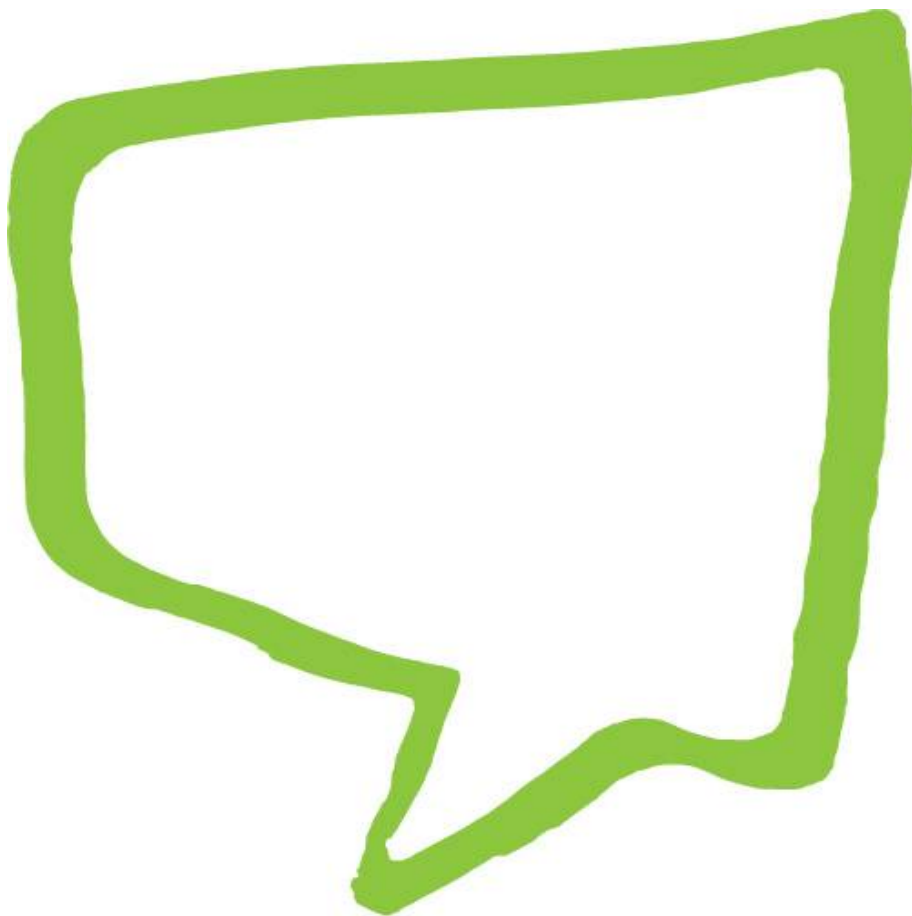


Audit Progress Report

Kent County Council

Audit 2008/09

June 2009



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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.
-

Summary 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 June 2008 against the 2008/09 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 2008/09

- 4 We have substantially completed the audit of the statements as set out in our Annual Governance Report to the Governance & Audit Committee. It is our aim to complete the audit of the statements in July 2009 and issue the opinion in that month. A more detailed report to officers will be prepared which should assist with the arrangements for the production and audit of the 2009/10 statements.
- 5 In undertaking our work we liaised closely with officers responsible for the production of the statements to ensure that they are familiar with our approach and are aware of the close liaison needed to meet the challenging timetable agreed with the Council for the giving of the audit opinion. We also liaised closely with Internal Audit and by doing so sought to maximise the benefit of the total audit resource available to the Council.
- 6 Our financial statements work is split into two main phases. The first was 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. The second is the work we undertake after the statements have been produced and involves a range of audit procedures such as analytical review and detailed testing of a sample of entries within the statements.
- 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 2008/09

- 8 Using the framework for assessment set out by the Audit Commission centrally, we have reached a conclusion that 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 2008/09. We arrive at this conclusion by considering the outcome from specific risk work in the year and the use of resources scored assessment.

Use of resources scored assessment 2008/09

- 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. This work contributes to the Commission's Comprehensive Area Assessment of Kent which will be issued in November 2009. This is the first year of the new use of resources assessment and we have continued to liaise with officers and presented the broad framework to members to raise awareness of the assessment.

Progress update

- 10** We have substantially completed the assessment and will share our views with the Council in July 2009.
-

National Fraud Initiative 2008/09

- 11** 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 2008/09 data has been submitted to the Commission by the Council and matches for further investigation are being reviewed by the Council.
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Grant claims and returns 2008/09

- 12** 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. There are no matters arising from our work to-date that we need bring to members' attention.
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Risk based use of resources work 2008/09

- 13** The audit plan for 2008/09 showed some areas of specific use of resources work. An update on progress is shown at Appendix 1 for 2008/09 work.

Appendix 1 - Risk based use of resources work 2008/09

Potential risks identified	Planned work in 2008/09 plan	Progress to date
There has been significant public comment about the Council's commercial operations and the possibility that the Council is subsidising them from council taxpayers' monies.	A review of the financial relationship between the Council and a sample of its subsidiaries and its other commercial undertakings will be completed to establish if there is any evidence of subsidisation.	Our work is complete and we have issued a draft report to officers. We expect to issue the report in final form in July 2009.
The Council is involved in a large number of partnerships and some of the arrangements are complex. Delivery of some Council services is done in partnership with other organisations so the effectiveness of services depends upon good partnership working.	A survey of a wide range of voluntary and community organisations (VCOs) will be completed and we will join the Commission for Social Care & Inspection's review of adult social services in March 2009 to gather information. Following analysis of the first two phases, a workshop will be held for with KCC officers to identify develop an action plan to enhance relationships with VCOs. We will then arrange workshops involving KCC and VCOs to facilitate any improvements needed.	Our field work is nearing completion and we anticipate discussing our findings with officers shortly.

Progress update

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 order to tackle the inequalities that exist.</p>	<p>To undertake a county-wide overview with NHS bodies to identify the nature and causes of health inequalities in Kent.</p>	<p>Our review is in two stages, a survey of the partners and workshops with each of the health/wellbeing panels (East Kent) /health action teams (West Kent)/Partnership Board (Medway) to feedback the findings and to discuss the implications. The survey results will be considered at workshops with partners in Summer 2009 with a view to facilitating action plans.</p>
<p>The Council is entering into an agreement with NHS partners for the provision of services for adults with learning disabilities. Effective governance arrangements, including the determination of financial contribution rates, need to be established and reviewed to ensure that the services deliver meet users' needs and offer good value for money.</p>	<p>A working party involving the Council and its NHS partners has been established with the aim of preparing an agreement which delivers appropriate services at expected costs and we will attend these meetings to monitor progress.</p>	<p>We have attended meetings regularly and continue to do so. To date the partners are working effectively together and appropriate progress has been made.</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, covering the £180 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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