



Accountants &  
business advisers

# **Southend-on-Sea Borough Council**

## **Progress report to those charged with governance**

December 2010

## 2009/10 Annual Audit Plan – progress summary as at 20 December 2010

Area of work	Scope / Associated deadlines	Status	Outputs / Date
Planning	Risk assessment and formulation of the annual audit and inspection plan. Annual Audit Fee Letter 2009/10 to be issued by June 2009. Detailed audit plan to be issued following completion of the 2008/09 audit by the end of Autumn 2009.	First phase complete. Second phase complete. Planning ongoing until completion of final accounts audit.	<b>Annual Audit Fee Letter 2009/10</b> issued and agreed June 2009. <b>Detailed audit plan</b> issued in December 2009 and reported to Audit Committee January 2010.
<b>Accounts</b>			
Interim audit	Audit of the key financial systems that support the statement of accounts. To be completed prior to commencement of the audit of the statement of accounts in July 2010.	Work complete.	No specific output. Commentary will be included in the report to those charged with governance as part of the completion of the audit of the statement of accounts.
Statement of accounts audit	Audit of the draft statement of accounts to determine whether they present fairly the Council's financial affairs and the income and expenditure. Deadline for issue of audit opinion and publication of the statement of accounts is 30 September 2010.	Audit start date agreed – 5 July 2010. Work complete.	<b>Annual Governance Report</b> to those charged with governance reported to Audit Committee 22 September 2010. <b>Opinion on the statement of accounts</b> Accounts published in accordance with deadline 30 September 2010.
<b>Use of Resources</b>			
Use of Resources assessment against KLoE	Assessments on Managing Finances, Governing the Business and Managing Resources, to assess activity up to 31 March 2009. Draft scores to be reported to the Audit Commission by 14 August 2009. Finalised scores to be confirmed by the Audit Commission 14 September 2009.	Assessment complete. Reporting to the Audit Commission complete. Reporting to the Audit Committee completed January 2010.	<b>Audit report on Use of Resources assessment</b> reported to the Audit Committee in January 2010.
Local risk work	<ul style="list-style-type: none"> <li>Review of <b>Financial Standing</b> to monitor the Council's progress in identifying and delivering the savings required to maintain a balanced budget and outturn position through our regular strategic liaison meetings.</li> </ul>	Work complete.	<b>Annual Governance Report</b> to those charged with governance reported to Audit Committee 22 September 2010.
	<ul style="list-style-type: none"> <li>Review of arrangements to deliver the additional <b>capital works to the housing stock</b>.</li> </ul>	Work complete.	<b>Local Risk Report</b> to those charged with governance reported to Audit Committee 22 September 2010.

Area of work	Scope / Associated deadlines	Status	Outputs / Date
	<ul style="list-style-type: none"> <li>Review of arrangements to deliver the <b>Building Schools for the Future</b> programme.</li> </ul>	<p>The submitted bid was unsuccessful, therefore the additional arrangements to deliver the programme were not implemented.</p> <p>Belfairs School project review work complete.</p>	<b>Local Risk Report</b> to those charged with governance reported to Audit Committee 22 September 2010.
	<ul style="list-style-type: none"> <li>Review of the Council's plans for delivery of projects with <b>Thames Gateway</b> and arrangements in place to deliver this work.</li> </ul>	Work complete.	<b>Local Risk Report</b> to those charged with governance reported to Audit Committee 22 September 2010.
	<ul style="list-style-type: none"> <li>Assess progress made since the initial <b>Health Inequalities</b> report, focussing on outcomes achieved.</li> </ul>	Work complete.	Pan-Essex report on <b>Health Inequalities</b> reported to Cabinet 2 November 2010. To be presented to LSP Executive meeting on 24 January 2011.
VFM conclusion	<p>Review to support a conclusion on whether the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2010.</p> <p>Conclusion to be given alongside the accounts opinion by the deadline of 30 September 2010.</p>	<p>Discussions on the development of arrangements undertaken as part of Use of Resources assessment.</p> <p>Review of evidence provided to support management update on development of arrangements undertaken.</p> <p>Work complete.</p>	<b>VFM conclusion</b> Issued in accordance with target date 30 September 2010.
<b>Annual Audit Letter</b>	Public-facing summary of audit work and key conclusions for the year.	Work complete.	<b>Annual Audit Letter</b> Being reported to Audit Committee 13 January 2011.
<b>Grants Report</b>	Summary of our certification work completed on 31 March 2010 claims.	To be drafted.	<b>Grants Report</b> to those charged with governance to be issued by February 2011.

## 2010/11 Annual Audit Plan – progress summary as at 20 December 2010

Area of work	Scope / Associated deadlines	Status	Outputs / Date
Planning	Risk assessment and formulation of the annual audit and inspection plan. Annual Audit Fee Letter 2010/11 to be issued by April 2010. Detailed audit plan to be issued following completion of the 2009/10 audit by the end of Autumn 2010.	First phase work in progress. Second phase completed following completion of the 2009/10 audit of the financial statements. Planning ongoing until completion of final accounts audit.	<b>Annual Audit Fee Letter 2010/11</b> issued to management April 2010 and reported to Audit Committee June 2010. Follow-up plan issued in December 2010 and being reported to Audit Committee 13 January 2011.
<b>Accounts</b>			
Interim audit	Audit of the key financial systems that support the statement of accounts. To be completed prior to commencement of the audit of the statement of accounts in July 2011.	Audit start date agreed – February 2011.	No specific output. Commentary will be included in the report to those charged with governance as part of the completion of the audit of the statement of accounts.
Statement of accounts audit	Audit of the draft statement of accounts to determine whether they present fairly the Council's financial affairs and the income and expenditure. Deadline for issue of audit opinion and publication of the statement of accounts is 30 September 2011.	Audit start date to be agreed – expected to be July 2011.	<b>Annual Governance Report</b> to those charged with governance to be reported to Audit Committee September 2011. <b>Opinion on the statement of accounts</b> Accounts publication deadline 30 September 2011.
<b>Use of Resources</b>			
Use of Resources assessment against KLoE	Assessments on Managing Finances, Governing the Business and Managing Resources, to assess activity up to 31 March 2010. Indicative scores to be reported to the Audit Commission by 21 April 2010. Assessment has been halted due to change of government policy. Final scores no longer to be reported to the Audit Commission, or published.	Assessment work in progress. Indicative reporting to the Audit Commission completed in line with deadlines. Assessment halted.	<b>Audit findings on of Use of Resources assessment</b> work undertaken up to the point at which the assessment was halted included within Annual Audit Letter, being reported to the Audit Committee 13 January 2011.
	<ul style="list-style-type: none"> <li>review the Council's arrangements to manage the <b>Delivering Excellence Transformation project</b> to establish how the Council is going to manage the delivery of targets set for achievement of increasing efficiencies whilst improving delivery of services</li> </ul>	Scope to be agreed.	Results to be reported in June 2011.

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VFM conclusion	Review to support a conclusion on whether the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2011.  Conclusion to be given alongside the accounts opinion by the deadline of 30 September 2011.	Discussions on the development of arrangements to be held with management.	<b>VFM conclusion</b> Target issue date 30 September 2011.
<b>Annual Audit Letter</b>	Public-facing summary of audit work and key conclusions for the year.	To be drafted.	<b>Annual Audit Letter</b> Target issue date 31 October 2011.
<b>Grants Report</b>	Summary of our certification work completed on 31 March 2011 claims.	To be completed after certification work concluded.	<b>Grants Report</b> to those charged with governance to be issued by February 2012.