



Accountants &  
business advisers

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

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

March 2012

## 2010/11 Annual Audit Plan – progress summary as at 14 March 2012

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 completed. Second phase completed following completion of the 2009/10 audit of the financial statements. Planning for 2010/11 now complete.	<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 reported to Audit Committee in 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 work complete.	No specific output. Commentary included in the <b>Annual Governance Report</b> 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 give a true and fair view of the Council's financial affairs and the income and expenditure for the year. Deadline for issue of audit opinion and publication of the statement of accounts is 30 September 2011.	Audit work complete.	<b>Annual Governance Report</b> to those charged with governance reported to Audit Committee 21 September 2011. <b>Opinion on the statement of accounts</b> Opinion provided on 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 completed. Indicative reporting to the Audit Commission completed in line with deadlines. Assessment halted.	Audit findings on <b>Use of Resources assessment</b> work undertaken up to the point at which the assessment was halted included within Annual Audit Letter, reported to the Audit Committee in 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>	Audit work complete for 2010/11.	Results reported in the <b>Annual Governance Report</b> in September 2011.

Area of work	Scope / Associated deadlines	Status	Outputs / Date
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.	Audit work complete.	<b>VFM conclusion</b> Conclusion provided on 30 September 2011.
<b>Annual Audit Letter</b>	Public-facing summary of audit work and key conclusions for the year.	Audit work complete.	<b>Annual Audit Letter</b> Issued in December 2011 and reported to the Audit Committee on 12 January 2012.
<b>Grants Report</b>	Summary of our certification work completed on 31 March 2011 claims.	Audit work complete.	<b>Grants Report</b> to those charged with governance issued in February 2012 and being reported to the Audit Committee on 28 March 2012.

## 2011/12 Annual Audit Plan – progress summary as at 14 March 2012

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 2011/12 to be issued by April 2011. Detailed audit plan to be issued following completion of the 2010/11 audit.	First phase work completed. Second phase completed following completion of the 2010/11 audit of the financial statements. Planning for 2011/12 ongoing until completion of the statement of accounts audit.	<b>Annual Audit Fee Letter 2011/12</b> issued to management April 2011 and reported to Audit Committee June 2011. Follow-up plan issued in December 2011 and reported to Audit Committee on 12 January 2012.
<b>Accounts</b>			
Interim audit	Audit of the key financial systems that support the financial statements of accounts. To be completed prior to commencement of the audit of the financial statements in July 2012.	Work in progress – delays have been encountered in progressing elements of this work. Report of issues and progress being provided to Audit Committee on 28 March.	<b>Interim audit progress report</b> to those charged with governance being reported to Audit Committee on 28 March 2012, with further information on outcomes to be provided in June 2012.
Statement of accounts audit	Audit of the draft statement of accounts to determine whether they give a true and fair view of the Council's financial affairs and the income and expenditure for the year. Deadline for issue of audit opinion and publication of the statement of accounts is 30 September 2012.	Audit start date to be agreed – expected to be July 2012.	<b>Annual Governance Report</b> to those charged with governance to be reported to Audit Committee in September 2012. <b>Opinion on the statement of accounts</b> Accounts publication deadline 30 September 2012.
<b>Use of Resources</b>			
	VFM conclusion significant risks identified in the Annual Audit Plan: <ul style="list-style-type: none"> <li>• medium term funding gap</li> <li>• new Health and Wellbeing Board arrangements</li> <li>• financial support arrangements in place for the housing revenue account.</li> </ul>	Detailed scope to be agreed.	Results to be reported in the <b>Annual Governance Report</b> in September 2012.

Area of work	Scope / Associated deadlines	Status	Outputs / Date
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 2012.  Conclusion to be given alongside the accounts opinion by the deadline of 30 September 2012.	Discussions on the development of arrangements to be held with management.	<b>VFM conclusion</b> Target issue date 30 September 2012.
<b>Annual Audit Letter</b>	Public-facing summary of audit work and key conclusions for the year. Target issue date 31 October 2012.	To be drafted.	<b>Annual Audit Letter</b> Target issue date 31 October 2012.
<b>Grants Report</b>	Summary of our certification work completed on 31 March 2012 claims.	To be drafted after certification work concluded.	<b>Grants Report</b> to those charged with governance to be issued by February 2013.