

# Progress Report

Norwich City Council

Audit 2009/10

May 2010

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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 The purpose of this report is to update the Audit Committee on work completed to date and the work to be completed during the rest of the year for Norwich City Council.
- 2 This report includes a summary of progress in delivering the main elements of the 2009/10 audit plan at Appendix 1. Appendix 1 also comments on residual activities in respect of the 2008/09 plan.
- 3 This report does not cover items included in the Comprehensive Area Assessment Lead's annual inspection fee letter.

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## Finalised reports

- 4 The following reports have been finalised:
  - 2010/11 Annual Audit Fee Letter; and
  - 2008/09 certification of claims and returns - annual report.

# Appendix 1 – Progress in delivering the 2008/09 and 2009/10 Audit Plans

**Table 1     Audit progress**

Work area	Status	Comments
<b>Audit Plan 2008/09 - residual deliverables (progress since January Audit Committee meeting)</b>		
Final Accounts Memorandum	Complete	The issues of most significance have already been reported in our November 2009 Annual Governance Report. To ensure that officers are aware of residual improvement issues in advance of the preparation of the 2009/10 accounts we provided feedback by way of a 'bullet point' Final Accounts Memorandum on areas for further improvement, where not already reported by way of the Annual Governance Report.
Certification of the housing benefit and council tax subsidy claim	Complete	Initial testing and a number of additional '40+ testing' completed in accordance with the Audit Commissions agreed process with the Department for Work & Pensions (DWP). We completed the claim certification and issued our qualification letter to the DWP on 29 April 2010.
Certification of claims and returns - annual report	Complete	Draft report was issued to officers for comment in February 2010. Meeting held with Head of Finance to discuss findings on 5 March and the report reviewed and reissued in light of officer comments. Report finalised May 2010, and is included in the Audit Committee papers.

## Appendix 1 – Progress in delivering the 2008/09 and 2009/10 Audit Plans

Work area	Status	Comments
Norwich Highways Agency Joint Committee accounts audits - 2006/07, 2007/08 and 2008/09	2006/07 complete, later years in progress	<p>Work has necessarily been prioritised on the main Norwich City Council financial statements audit and grant work over recent years. The 2006/07 joint committee audit was protracted due to a number of issues with the draft accounts, and the need to consider previously un-audited comparative figures. The 2006/07 audit was completed in April 2010 and our Annual Governance Report was issued to the Norwich Highways Agency Joint Committee.</p> <p>Work on 2007/08 is in progress.</p> <p>No work has yet commenced on the 2008/09 audit, and we will reassess the timeframe for this once the 2007/08 audit has been further progressed.</p>
<b>Audit Plan 2009/10</b>		
<b>Overarching</b>		
Planning	Completed	<p>Initial planning activities have been completed and the 2009/10 Annual Audit Fee Letter issued to the Chief Executive and Head of Finance. The fee letter was considered as part of the 25 June 2009 Audit Committee meeting.</p> <p>Planning for 2009/10 will continue to be updated throughout the course of 2010. Any resulting changes to the planned work and fee will be discussed and agreed with officers and reported to the Audit Committee.</p>

## Appendix 1 – Progress in delivering the 2008/09 and 2009/10 Audit Plans

Work area	Status	Comments
<b>Accounts</b>		
Opinion Audit Plan	Expected date of completion - by early July 2010	<p>We plan to issue an initial opinion audit plan based on consideration of our cumulative knowledge, including the findings of the 2008/09 audit, by early July.</p> <p>We are likely to need to review and update the position when we have been able to complete our consideration of the Council's control environment and, specifically, any areas where we are able to place reliance on systems controls. This work is in progress, but due to prioritisation of the outstanding Norwich Highways Agency Joint Committee accounts, the work is unlikely to be completed until late June.</p> <p>We are continuing to work with officers in terms of ensuring the arrangements for the final accounts audit are in place.</p>
Annual Governance Report	Expected date of completion - by end of September 2010	
Auditor's report giving the opinion on the financial statements	Expected date of completion - by end of September 2010	

## Appendix 1 – Progress in delivering the 2008/09 and 2009/10 Audit Plans

Work area	Status	Comments
Final accounts memorandum (to the Head of Finance)	Expected date of completion - by end October 2010	
<b>Use of resources</b>		
Use of Resources Assessment	In progress	Initial planning discussion held with officers on 3 December 2009. Work is currently in progress. Indicative scores were submitted by the 21 April 2010 deadline, with scores due to be finalised by 30 July. Indicative feedback was provided to Council officers on 13 May 2010.
Auditor's report giving the value for money opinion	Expected date of completion - by end of September 2010	
<b>Overarching</b>		
Annual Audit Letter	Expected date of completion - by end December 2010	

## Appendix 1 – Progress in delivering the 2008/09 and 2009/10 Audit Plans

Work area	Status	Comments
<b>Additional to the main 2009/10 Audit Plan</b>		
2009/10 Norwich Highways Agency Joint Committee accounts audits	Expected date of completion - by end October 2010	
2009/10 certification work	Expected dates of completion - from September to December 2010	
Certification of claims and returns - annual report	Expected date of completion - by end January 2011	



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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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