

Audit Progress Report December 2007

Walsall Metropolitan Borough Council

Audit 2006/07

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.

Audit in the public sector is underpinned by three fundamental principles.

- Auditors are appointed independently from the bodies being audited.
- The scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business.
- Auditors may report aspects of their work widely to the public and other key stakeholders.

The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998, the Local Government Act 1999 and the Commission's statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board.

Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

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 Audit Plan for 2006/07 was tabled at Audit Committee in September 2006. This report provides details and progress to date for all elements of the audit plan.

Audit coverage and inputs

- 2 We have two reports to present to the December Audit Committee. Papers presented include this progress report with details outlined in the attached appendix and a Final Accounts Audit 2006/07 report.

Work in progress

- 3 At this time, we are focussing attention on the following pieces of work;
 - Use of Resources and Direction of Travel;
 - Review of major grant claims including production of an annual grant report; and
 - Best Value Performance Plan and opinion.

Conclusion

- 4 All work completed to date has been reported to Audit Committee or discussed with officers.

Appendix 1 – Summary of external audit work

Table 1

Audit programme	Planned start date	Planned completion date	Progress to date	Comments
Audit Plan				
Audit Plan			Completed	Agreed at September 2006 Audit Committee.
Opinion				
Financial governance	February 2006	June 2006	The review of significant financial systems has been completed.	The work has been used to inform the audit of the financial statements. An interim audit memorandum has not been issued but progress reports were given in August 2006, January and March 2007.
Review of Internal Audit	February 2007	March 2007	Work in progress.	The draft report is being discussed with Internal Audit and the final report will be issued shortly.

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Audit programme	Planned start date	Planned completion date	Progress to date	Comments
Audit of financial statements	March 2007	September 2007	Work completed.	The District Auditor issued the opinion on 25 September 2007. The final accounts report was issued in November 2007.
Report to those charged with governance (ISA 260).	September 2007	September 2007	Completed.	The report has been presented at the September 2007 Audit Committee.
Use of resources				
Value for Money	August 2007	September 2007	Field work completed.	The indicative scores have been shared with the Council. The scores are subject to national quality assurance process.
Financial Reporting	September 2007	November 2007	Field work completed.	The indicative scores have been shared with the Council. The scores are subject to national quality assurance process.

Audit programme	Planned start date	Planned completion date	Progress to date	Comments
Financial Management	September 2007	November 2007	Field work completed.	The indicative scores have been shared with the Council. The scores are subject to national quality assurance process.
Financial Standing	September 2007	November 2007	Field work completed.	The indicative scores have been shared with the Council. The scores are subject to national quality assurance process.
Internal Control	September 2007	November 2007	Field work completed.	The indicative scores have been shared with the Council. The scores are subject to national quality assurance process.
Local Area Agreement	February 2007	April 2007	The joint review of the management and operation of the LAA has been completed. The follow up of last year's audit work has been done.	Internal Audit has issued the final 'LAA/Neighbourhood Renewal Fund Report'.
Carer and User Involvement	December 2006	February 2007	Work completed	The report went to March Audit Committee.

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Audit programme	Planned start date	Planned completion date	Progress to date	Comments
Performance Management in Social Care	February 2007	May 2007	Work completed.	Presentation given to Social Care and Inclusion in November.
BVPP report	November 2007	December 2007	Work in progress.	
Report on selected PIs	August 2007	October 2007	Work completed.	No issues arising which require to be put in a report.
Grant claims	August 2007	December 2007	Work has commenced.	A grants claim report will be issued which will cover all grant claims audited including housing benefits and council tax.
Surestart			Work in progress.	A draft report has been issued.
Bus usage (cross West Mids project)		October 2007	Work completed.	A report was issued to Centro and Passenger Transport Authority. A presentation has been made to the West Midlands Planning and Transport Sub Committee in September.

Audit programme	Planned start date	Planned completion date	Progress to date	Comments
Annual Audit Letter				
Audit and inspection plan		March 2008	Not yet started.	