

Progress Report

August 2010

Stockton on Tees Borough Council

Audit 2009/10

Date **23 August 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 This briefing provides a summary to inform the Audit Committee of the progress on the audit to date.
- 2 This update also highlights key emerging national issues and developments that Members may find interesting.
- 3 If you require any additional information regarding the issues included in this briefing, please contact Catherine Andrew (Audit Manager) or Lynne Snowball (District Auditor).

2009/10 Audit

Opinion audit

- 4 Our approach to planning changed for 2009/10 and instead of producing a full audit plan in April 2009, which is several months before we start any work, we now prepare a letter at the beginning of the audit year, with a detailed plan later.
- 5 We issued our 2009/10 fee letter to the Chief Executive and Audit Committee in April 2009.
- 6 We reviewed our initial risk assessment to update our opinion plan for changes since April 2009 and presented our 09/10 audit opinion plan to the April 2010 Audit Committee.
- 7 Our audit of the 2009/10 financial statements is almost complete and our draft annual governance report is included on the agenda.

Use of resources

- 8 We completed the work to inform our use of resources judgements and submitted indicative scores in April.
- 9 Following the Government announcement in May that CAA would end, the Audit Commission decided to stop work on use of resources in local government as part of it's purpose was to feed into the area assessment.
- 10 There will be no reporting of use of resources scores for 2009/10.

Value for money conclusion

- 11 We have used the results of our work on use of resources to inform our value for money conclusion. We have concluded that the Council has arrangements in place for securing economy, efficiency and effectiveness in its use of resources.

2010/11 Audit

- 12 We presented our 2010/11 fee letter to the Audit Committee in May 2010. We will revisit the planned work and fee following the completion of our 2009/10 audit and in light of ongoing discussions about work required in future to inform the value for money conclusion.

Other developments

13 Since the last meeting of the Audit Committee, the following developments have occurred that are relevant or may be of interest to Members.

Audit Commission national reports

- 14 [Surviving the crunch](#) → **Local finances in the recession and beyond:** Councils must think bigger and act quicker to reduce costs, or funding cuts will cause more damage to services and jobs than is necessary.
- 15 [A review of collaborative procurement across the public sector](#) → : The National Audit Office and the Audit Commission have jointly produced this review. It describes the landscape of collaborative procurement across the public sector, and recommends that, given the size of public sector procurement spend and the potential to significantly improve value for money, public bodies should work together much more effectively than they currently do. And there should be a clear framework to coordinate public sector procurement activity.
- 16 [National Fraud Initiative report 2008/09](#) → : The National Fraud Initiative (NFI), the UK-wide antifraud programme, helped trace £215 million in fraud, error and overpayments in 2008/09. Since the initiative's start in 1996, the programme has helped detect £664 million.
- 17 [What works in road maintenance?](#) → : We are undertaking a national study to examine how councils can maintain road condition in the face of a tough funding environment.
- 18 [Against the odds](#) → **Re-engaging young people in education, employment or training:** We reveal how councils need a new approach in getting to grips with the needs of their local teens, in order to make scarce resources work harder for those at greatest risk of long-term unemployment.
- 19 [Local government pensions in England](#) → **An information paper:** In our latest information paper, we examine the long-term affordability of the Local Government Pension Scheme, and look at steps that could be taken to put it on a better financial footing.
- 20 [Certifying claims and returns](#) → : Our first annual report of auditors' certification work in 2008/09, which is available to download from this page, covers claims and returns in England totalling £45.6 billion.

Other Audit Commission communications

- 21 [International Financial Reporting Standards: accounting for employee benefits](#) → : Our latest briefing paper looks at the practical issues that authorities may face when accounting for employee benefits.

Other developments

- 22 [International Financial Reporting Standards: restating non-current assets](#) ↗ : We investigate the problems that can arise for authorities when it comes to identifying, locating and accounting for non-current assets, and how these issues can be tackled.

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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