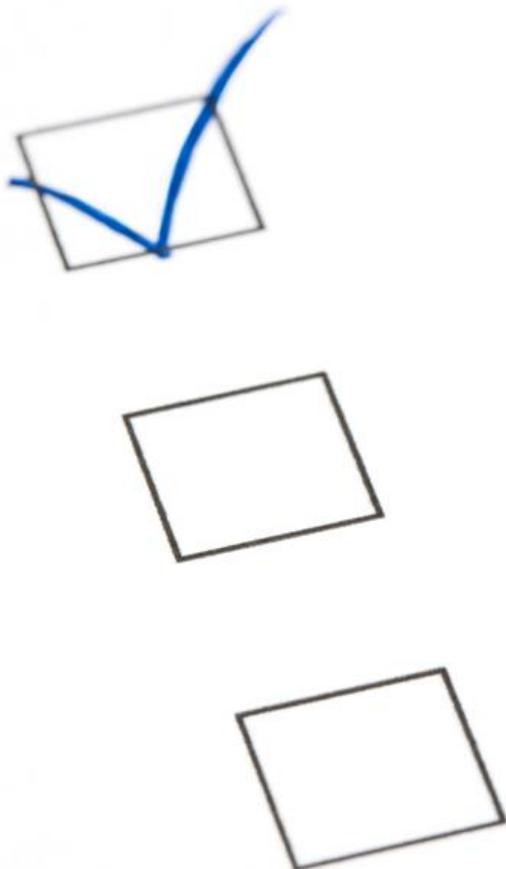


Stockton-on-Tees Borough Council



Audit Progress Report

November 2013



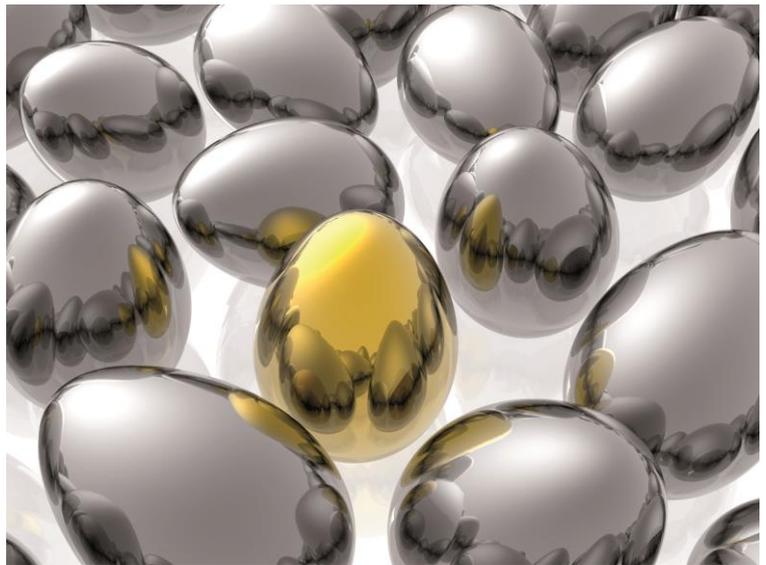
Contents

- 01 Purpose of this paper
- 02 Summary of audit progress
- 03 Emerging issues and developments
- 04 Contact details

Our reports are prepared in the context of the Audit Commission's 'Statement of responsibilities of auditors and audited bodies'. Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the Authority and we take no responsibility to any member or officer in their individual capacity or to any third party.

Mazars LLP is the UK firm of Mazars, the international advisory and accountancy organisation. Mazars LLP is a limited liability partnership registered in England with registered number OC308299.

01



Purpose of this paper

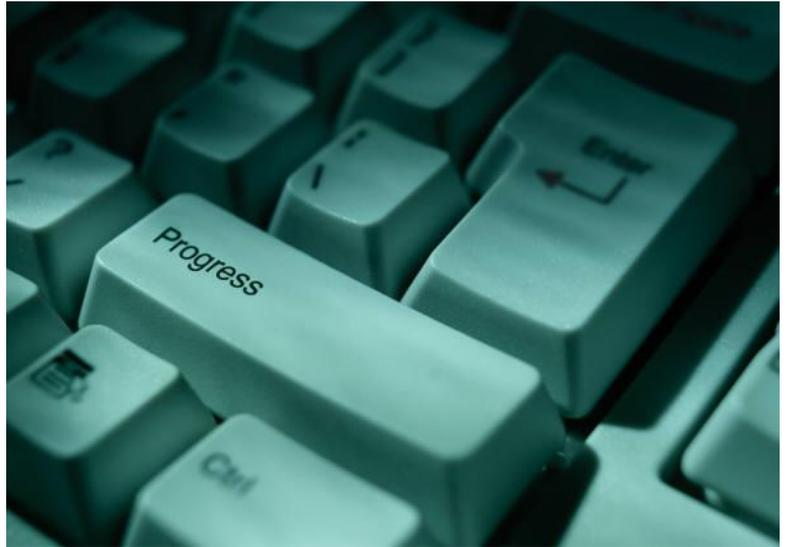
The purpose of this paper is to update the Audit Committee on progress in meeting our responsibilities as the external auditor of Stockton-on-Tees Borough Council. We also include in this paper key emerging national issues and developments which may be of interest to members of the Committee, with actions that you may want to consider.

If you need any additional information please contact Mark Kirkham or Martin Barnes using the contact details at the end of this update.

Finally, please note our website address (www.mazars.co.uk) which sets out the range of work Mazars carries out across the UK public sector. It also details the full extent of services Mazars provides within the UK and abroad.

02

Summary of audit progress



At the meeting of the Audit Committee on 23 September 2013 we presented our audit completion report, summarising the results of our 2012-13 audit of Stockton-on-Tees Borough Council.

On 30 September we gave an unqualified opinion on the accounts and value for money conclusion, within the applicable deadline.

Our reports included certificates closing the 2012/13 audits.

We also gave an unqualified assurance statement on the consolidation schedules for Whole of Government Accounts on 30 September 2013, again within the applicable deadline.

Summary of audit progress

Our Annual Audit Letter for 2012/13 has been agreed with the Council, and submitted to the Audit Commission. The letter will be published on the Audit Commission website in due course.

Our work is continuing on the certification of the Council's 2012/13 Benefits Subsidy claim, which is the final element of our 2012/13 audit. Testing is at an advanced stage, and we expect to complete the work and issue our report before the submission deadline of 30 November 2013.

We will also begin planning our 2013/14 audit, and would expect to issue our Audit Strategy Memorandum early in the New Year.

03



Emerging issues and developments

The following pages outline for your attention some significant emerging issues and developments in respect of:

- Annual Fraud Indicator Report 2012/13;
- Audit Commission Value for Money profiles;
- Code of Practice in Local Authority Accounting in the UK: Disclosure Checklist 2013 -14 accounts; and
- Accounting and Auditing Standards: a Public Services Perspective.

Emerging issues and developments

Issue / development	Possible action
<p>Annual Fraud Indicator Report 2012/13 In June 2013, the National Fraud Authority published its Annual Fraud Indicator report for 2013. The Report updates the Authority's estimates for fraud in all sectors of the economy, including the public sector. The methodology used in reporting is updated every year, which makes the analysis of trends and the drawing of conclusions difficult, but the report can still make interesting reading.</p>	<p>The report is available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206552/nfa-annual-fraud-indicator-2013.pdf</p>
<p>Audit Commission Value for Money profiles The Audit Commission published its updated VFM profiles on 11 November 2013. The Value for Money (VFM) profiles bring together data about the costs, performance and activity of local councils and fire authorities, displayed under sections that give an overview of the chosen organisation and the services it delivers.</p>	<p>The Council's VFM profile can be viewed and downloaded via the Audit Commission website, by following the links to VFM Briefings.</p>
<p>Code of Practice on Local Authority Accounting in the UK: Disclosure Checklist 2013-14 Accounts CIPFA published the key guidance for the preparation of the 2013-14 accounts in May 2013. This checklist can be used to self-assess compliance with this guidance during the closure process and we will use it as part of our audit of the 2013-14 accounts.</p>	<p>For information only</p>

Emerging issues and developments

Issue / development	Action for the Committee
<p>Accounting and Auditing Standards: a Public Services Perspective</p> <p>CIPFA have updated a 2003 guide to reflect the subsequent adoption of international standards for accounting (IFRS) and auditing (ISAs). These standards are already embedded in the accounts you produce and our audit approach. However, the guide is a useful summary of how these standards apply to local authorities, fire and police bodies. It includes descriptions of the:</p> <ul style="list-style-type: none">• Key differences between private sector and local authority financial reporting;• Wider responsibilities of public service auditors; and• Role of the various standard setting bodies.	For information only

04

Contact details



Mark Kirkham

Director and Engagement Lead

mark.kirkham@mazars.co.uk

0113 387 8850

Martin Barnes

Senior Manager

martin.barnes@mazars.co.uk

0191 383 6325

Address:

Rivergreen Centre

Aykley Heads

Durham

DH1 5TS