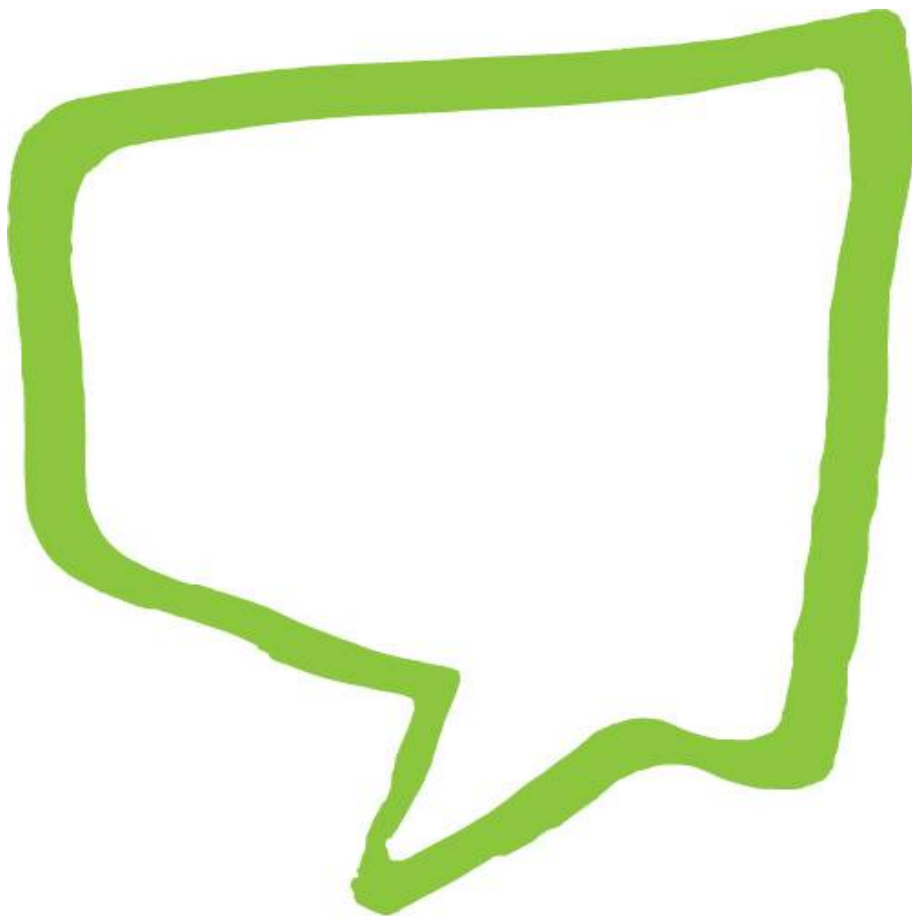


Audit Progress Report

Brent London Borough Council

Audit 2008/09

February 2009



Contents

Progress report	3
Appendix 1 – Progress on 2008/09 outputs	7

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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Progress report

Introduction

- 1 The purpose of this progress report is to brief the Audit Committee on work completed by the Audit Commission since the last Audit Committee meeting and to inform the Committee of work currently being planned or undertaken. In addition, we draw to Members attention recent relevant Audit Commission publications.

2008/09

- 2 The Audit and Inspection plan for 2008/09 was presented to the Audit Committee in June 2008. Our work on the 2008/09 audit is progressing well and we have:
 - reviewed six performance indicators (PI's) and we found that two required amendment and one was reserved;
 - completed our 2008 use of resources assessment. The Council maintained an overall score of 3 and the draft report detailing improvement opportunities has been shared with officers;
 - completed our work on the Direction of Travel assessment, which has been shared with the Council; and
 - started our work on the audit of the Council's key financial systems.

Appendix 1 shows details of all outputs planned in respect of 2008/09.

2009/10

- 3 Over the next few weeks we will be starting to plan the 2009/10 audit and inspection programme. This will include exploring our initial thoughts and ideas with officers. We would be interested if Members had any views on which areas and/or issues it might be beneficial to the Council for audit to consider. This can be fed back to us either directly or via officers.

Recent Audit Commission publications

- 4 This section summarises some of the recent publications from the Audit Commission. All reports are available on the audit Commission website or can be obtained from your local Audit Manager, Shahida Nasim.

Work programme and scales of fees 2009/10 indicative fee proposals for 2010/11 and 2011/12 (Local government, housing and community safety)

- 5 This document sets out the work the Audit Commission plans to undertake in the local government, housing and community safety sectors during 2009/10, with the associated scales of audit and inspection fees. It also sets out indicative fee proposals for 2010/11 and 2011/12.

The Audit Commission's quality review process and audit practice annual quality report

- 6 The Audit Commission has published two important reports on the quality of the work of its appointed auditors for our stakeholders, which include our sponsoring departments, audited bodies, the wider accounting and auditing profession and other interested parties. The first is the Audit Commission's quality review process - Annual report 2007/08 which summarises the results of our quality review of the work of the firms of private sector auditors which we appoint as auditors to local government and NHS bodies. The second is the Audit Commission's Audit Practice Annual Quality Report which summarises the results of the quality review of the work of the Commission's own staff as auditors to local government and NHS bodies, including the views of the Audit Inspection Unit which carried out an independent review of our work.

Crunch Time? A report looking into the effects of the impact of the economic downturn on local government (December 2008)

- 7 The report shows that despite recent scare stories, councils are well placed to ride out the immediate effects of the credit crunch. Although most local authorities anticipated increased demand from services, and loss of income to some extent, they have adequate reserves to cushion the estimated £2.5 billion impact, and are taking action to cut costs.
- 8 The findings show that:
 - in the first six months of 2008/09 just under half of authorities reported both falls in income and increases in expenditure of at least 1 per cent. If no action was taken the total impact of this on council budgets could be around £2.5 billion;
 - a quarter of England's councils have seen increased demand for elderly care;
 - one in ten councils are experiencing increased demand for state school places - often as parents pull their children out of private schools; This was a particular problem in London with a third of London boroughs reporting higher demand;
 - one in seven has made compulsory redundancies, or plans to do so; and
 - many councils are reviewing recruitment, or seeking savings by leaving posts unfilled.
- 9 Finance officers, however, remain concerned that the recession will have a deeper impact on their finances next year.

Progress report

Clarifying joint financing arrangements A briefing paper for health bodies and local authorities (December 2008)

- 10 This briefing aims to demystify pooled funds and Section 75 of the NHS Act 2006 and reviews the current range of joint financing arrangements between NHS bodies and local authorities across health and social care. It is the first in a series of publications relating to a national study which is due to be published in spring 2009.

Are we there yet? Improving governance and resource management in children's trusts (October 2008)

- 11 This report examined the progress local councils and their partners are making in developing children's trusts. The report concludes that the 'children's trusts' created by the government after the death of Victoria Climbié have been confused and confusing. Five years after the green paper Every Child Matters and eight years after the child's death, 'there is little evidence of better outcomes for children and young people' resulting from the requirement that local areas in England set up arrangements to coordinate children's services. A third of directors of children's services say that their partner organisations are 'unclear' of the purpose of children's trusts, and the uncertainty is hampering their efforts to deliver better services. However the study did find that progress has been made in bringing professionals together, but sometimes by navigating around the 'centrally-directed approach'. Local agreements worked better than external direction.

National school survey results 2008 - The School Survey, England (October 2008)

- 12 The School Survey is a collaborative tool developed by the Audit Commission in partnership with Ofsted, Estyn, Wales Audit Office, councils, and headteacher and governor associations. The survey has been in operation as a national annual online exercise since summer 2002. The primary purpose of the school survey is to act as a source of evidence about schools' perceptions of the support provided by their council and the services provided locally for children and young people.

Back to Front Efficiency of back office functions in local government

- 13 Councils in England have made significant steps to improve their internal efficiency. Between 2005 and 2008, following the 2004 Spending Review, £4.3 billion efficiency gains were diverted to improve services and manage the level of council tax back office activity - the behind-the-scenes work that supports services for the public - is an important source of efficiency gains. This report reviews how councils made back office efficiency gains and identifies lessons for the future.

Well Disposed: responding to the waste challenge (September 2008)

- 14 This report looks at how English councils are responding to the challenge of finding new ways to dispose of the country's waste which has traditionally been buried in landfill sites. The study reviews progress against meeting targets and allowances, models the costs to councils under different scenarios, and evaluates the quality of strategic planning and local decision-making.

Comprehensive Area Assessments (CAA)

- 15 CAA looks at how well local services are working together to improve the quality of life for local people. It will make straightforward independent information available to people about their local services, helping them make informed choices and influence decisions.
- 16 For the first time, local public services will be held collectively to account for their impact on better outcomes. This means that CAA will look across councils, health bodies, police forces, fire and rescue services and others responsible for local public services, which are increasingly expected to work in partnership to tackle the challenges facing their communities.
- 17 The latest consultation ended in October 2008 and the final framework has been published in February 2009 with the first results issued in Autumn 2009.

Use of resources

- 18 The assessment has been revised to meet the needs of CAA; it assesses use of resources in a broader way than previously, embracing the use of natural, physical and human resources. The KLOE focus more on value for money achievements, outputs and outcomes rather than on processes, and are more strategic and less detailed. It also places new emphasis on commissioning services for local people and achieving value for money.
- 19 Auditors will produce a judgement for each of the following three themes.
 - Managing finances - focusing on sound and strategic financial management.
 - Governing the business - focusing on strategic commissioning and good governance.
 - Managing resources - focusing on the effective management of natural resources, assets and people.
- 20 Guidance for auditors was issued in November 2008 and this has been made available to councils. Consultation on the scoring model has recently been closed and will be finalised in the New Year. The first assessments will be carried out during the spring of 2009.

Appendix 1 – Progress on 2008/09 outputs

Product	Timing	Current position
Planning		
Audit Plan	January 2008 - March 2008	Plan presented to Audit Committee in September 2007.
Opinion		
Work on financial systems	January 2008 - June 2009	Planning being undertaken and fieldwork has commenced
Financial statements; <ul style="list-style-type: none"> • opinion; • Annual Governance Report; and • opinion memorandum 	July - September 2009	
Use of Resources		
Health Inequalities		Fieldwork is underway
Data Quality	July 2008 - November 2008	Completed and report issued December 2008.
Value for money conclusion	June 2009 to September 2009	
Use of resource judgements	August - November 2008	Use of Resources scores issued. Detailed report has been issued.
Inspection		
Direction of Travel	October 2008 - January 2009	Work completed and Direction of Travel wording and scores issued 15 January 2009.
Reporting		
Annual Audit and Inspection Letter	February - March 2010	Discussed with CE and being finalised.

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.

Copies of this report

If you require further copies of this report, or a copy in large print, in Braille, on tape, or in a language other than English, please call 0844 798 7070.

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