

Craven District Council

Audit Progress report

June 2013

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1. Introduction

The purpose of this paper is to update the Audit and Governance Committee on our progress in meeting our responsibilities as your external auditor. We also include in this paper key emerging national issues and developments which may be of interest to the Committee and recommendations that you may want to consider.

If you need any additional information please contact me or your Senior Manager 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.

2. Summary of audit progress

Good progress has been made to date on the 2012/13 audit:

- Our Audit Strategy Memorandum was presented to the March meeting of the Audit and Governance Committee. This set out the risks we have identified in terms of both our opinion on the financial statements and the value for money conclusion, and summarises our approach to the audit. Audit risks will be reviewed, and our testing strategy finalised, following receipt of your accounts. However at this stage we have no changes to report to you.
- Work has been undertaken to confirm our understanding of your key financial systems. This work has included reviewing the design and operation of controls, walking through transactions to test our understanding of the systems and controls in practice, and compliance testing cash receipts.

- We have also reviewed the Council's overall control environment, including general ICT controls.
- Work on the value for money conclusion is well in hand and will be completed following receipt of the 2012/13 financial statements and end of year performance report.
- We have continued to liaise with Internal Audit to maximise the efficiency of audit processes, and to consider the implications of their findings in terms of our own responsibilities.

Our work to date has not identified any significant weaknesses that need to be reported to you.

We have set a date of 5 August for the public to exercise their rights of inspection etc. Mazars has held a series of workshops for public sector finance staff on accounting and auditing issues relating to the closedown and preparation of the 2012/13 statement of accounts. The workshop was free for our clients, and your officers attended the event in York in February 2013. We have also discussed closure arrangements locally.

We have agreed a timetable with officers for the audit of your accounts and fieldwork is due to commence on 1 July 2013.

3. National publications, events and other updates

VFM profiles and financial ratio tools (February 2013)

The Audit Commission has updated its VFM profile and financial ratios tool for 2011/12 outturn data and these are available to all authorities. We review this profile as part of our value for money work each year.

http://www.auditcommission.gov.uk/technicaldirectory/vfm1213/5.5_Supporting_VFM_tools_and_review_guides.htm

2013/14 fees and work programme consultation (Audit Commission, December 2012)

The Audit Commission has consulted on its 2013/14 proposed work programme and scales of fees. The Audit Commission proposed that scale audit fees are set at the same level as the fees applicable for 2012/13 and published the final work programme and scales of fees for 2013/14 in April 2013.

<http://www.audit-commission.gov.uk/audit-regime/audit-fees/201314-fees-and-work-programme/>

Health and Wellbeing Boards guidance, LGA – February 2013

The Local Government Association has recently published "Health and wellbeing boards - A practical guide to governance and constitutional issues". The guidance explains the background and roles of the boards and progress made in establishing them in England. It also highlights a number of questions councils may wish to consider.

£1 billion of fraud, found! (March 2013)

The National Fraud Initiative (NFI), established in 1996, has helped identify over £1 billion potentially lost to fraud, overpayment or error, across the UK. The outcomes include the prevention and detection of 15,000 cases of pension overpayments worth £450 million, almost 100,000 cases of council tax single person discounts incorrectly awarded worth £160 million and over £250 million of housing benefit overpayments.

<http://www.audit-commission.gov.uk/2013/03/1-billion-of-fraud-found/>

The Future of Public Audit

The Government has published its response to the pre legislative scrutiny report by the draft Local Audit Bill Committee.

<https://www.gov.uk/government/publications/government-response-to-the-pre-legislative-scrutiny-report-by-the-draft-local-audit-bill-committee>

Audit Committees in the Private Sector

The Financial Reporting Council (FRC) has published guidance on the role of Audit Committees in the private sector. Members might find this of interest.

<http://frc.org.uk/Our-Work/Publications/Corporate-Governance/Guidance-on-Audit-Committees-September-2012.aspx>

Contact details

If you would like further information on any items in this briefing, please contact me or the Senior Manager.

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