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# External audit progress report and technical update

**Wiltshire Council**

May 2014



This report provides the audit committee with an overview on progress in delivering our responsibilities as your external auditors.

The report also highlights the main technical issues which are currently having an impact in local government.

If you require any additional information regarding the issues included within this report, please contact a member of the audit team.

We have flagged the articles that we believe will have an impact at the Authority and given our perspective on the issue:

- High impact
- Medium impact
- Low impact
- For info

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# Progress report

This document provides the audit committee with a high level overview on progress in delivering our responsibilities as your external auditors.

At the end of each stage of the audit we issue certain reports and opinions. A summary of progress against these is provided in Appendix 1 of this report.

Area of responsibility	Commentary
<b>Financial statements</b>	<p>At the time of the last Audit Committee in March 2014, our Interim audit visit was in progress. Our work focused on reviewing your significant financial systems (working with SWAP), understanding financial performance to date, and identifying key risks for the audit of the financial statements. Our interim visit is now complete and we set out our findings in our <i>Interim Audit Report 2013/14</i> which is presented at this Committee.</p> <p>We have held a number of meetings with Officers of the Council to discuss a number of accounting issues that have arisen due to releases of technical guidance. We have discussed the impact on the Council for 2013/14 and the accounting treatment of them.</p> <p>We have also held a debrief meeting with SWAP to discuss the key financial controls and IT audits and where improvements and efficiencies can be made by both parties. We have also agreed the initial scoping of work for 2014/15 and are due to issue our SWAP Internal Audit Protocol for 2014/15 shortly.</p> <p>Our final accounts visit, covering the audit of your financial statements and the Annual Governance Statement starts on 9<sup>th</sup> June. This visit has been brought forward a month to allow early sign off of your financial statements which will be presented at your 31<sup>st</sup> July Audit Committee meeting. As a result of this, all of our work including the Whole of Government will be completed before the statutory deadlines.</p>
<b>Value for Money</b>	<p>As highlighted in our Audit Plan, our initial risk assessment for the VFM conclusion identified two VFM risks requiring further audit work, these being:</p> <ul style="list-style-type: none"> <li>■ Savings Plan – In order to maintain an adequate level of balances and sustain service delivery, the Council estimates that it will need to save £28 million for 2013/14 and £23 million for 2014/15. Delivery of savings in Adult Care and Children’s Care represents significant challenges.</li> <li>■ The Council last year recognised a £14 million downward valuation on the completion of Phase 1 of County Hall. This year Phase 2 has been completed and the Council is expecting another downward revaluation.</li> </ul> <p>We will complete our work to address these risks in June. We will:</p> <ul style="list-style-type: none"> <li>■ Review the Council’s approach to monitoring progress against the budget and Savings Plan to support the financial resilience criterion of our VFM opinion.</li> <li>■ Consider how the Council has assured itself that the overall renovation project represents value for money through the benefits obtained as a result of its completion.</li> </ul>

This document provides the audit committee with a high level overview on progress in delivering our responsibilities as your external auditors.

At the end of each stage of the audit we issue certain reports and opinions. A summary of progress against these is provided in Appendix 1 of this report.

Area of responsibility	Commentary
<b>Certification of claims and returns</b>	<p>There are further changes to the scope of the Audit Commission’s certification programme in 2013/14.</p> <p>In previous years the Teachers Pension Review has been carried out under the Audit Commission’s certification programme. This is now not planned to be the case this year. We understand that the Teachers Pension Agency will continue to expect an audited certificate (the deadline for returning the audited form for Authorities has been communicated as the last working day of November).</p> <p>As this work will no longer fall under the Audit Commission regime, our review will require a separate engagement process and fee to be agreed.</p>





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# Technical update

Area	Level of Impact	Comments	KPMG perspective
<b>Final local government finance settlement 2014/15</b>	<p style="text-align: center;">● High</p>	<p>On 5 February 2014 the Government published the final local government finance settlement for 2014/15. In addition, the Government has proposed that any council tax increases made by billing or precepting authorities of 2 per cent or more will be subject to a referendum.</p> <p>For more information, visit <a href="https://www.gov.uk/government/speeches/final-local-government-finance-settlement-2014-to-2015">https://www.gov.uk/government/speeches/final-local-government-finance-settlement-2014-to-2015</a></p>	<p><i>The committee may wish to consider the progress the Council has made on addressing the funding cuts and the impact this has on services</i></p>
<b>Draft order published reflecting changes to council tax calculations</b>	<p style="text-align: center;">● High</p>	<p>The draft Localism Act 2011 (Consequential Amendments) Order 2014 was published on 9 January 2014. It proposes changes to sections 73 to 79 of the Localism Act 2011 that require billing authorities, major precepting authorities and local precepting authorities in England to calculate a council tax requirement for a financial year. Previously, such authorities were obliged to calculate a budget requirement for a financial year.</p> <p>The draft Order makes amendments to:</p> <ul style="list-style-type: none"> <li>• section 31A(5) of the Local Government Finance Act 1992 (LGFA 1992) to exclude sums that have been or are transferred from an authority's general fund to its collection fund;</li> <li>• section 42A of the LGFA 1992 to ensure that grant repayments are taken into account as expenditure under section 85(4)(a) of the Greater London Authority Act 1999 (GLA 1999); and</li> <li>• schedule 6 of the GLA 1999 to provide that, if the approved consolidated budget or council tax requirement is found to be excessive, the GLA must agree a substitute consolidated budget or council tax requirement before (or after) the end of the financial year, if it has not already done so.</li> </ul> <p>The draft Order will have effect in relation to financial years beginning 1 April 2014.</p>	<p><i>The committee may wish to consider whether the Council has considered the impacts of the proposed changes when assessing their council tax requirement for 2014/15 and beyond</i></p>

Area	Level of Impact	Comments	KPMG perspective
<p><b>Department of Health publishes directions and an explanatory note for the 2014 transfer of funds from the NHS to local authorities</b></p>	<p>● <b>High</b></p>	<p>On 4 April, the Department of Health (DH) issued the National Health Service Commissioning Board (Payments to Local Authorities) Directions 2014. The 2014 directions, which apply in respect of NHS England's (NHSE's) payment of £1.1 billion to local authorities in respect of their social care functions for the financial year 2014/15, came into force on 1 April.</p> <p>Each local authority and NHS England should enter into an agreement in relation to the payments to be made and the conditions that apply. The 2014 Directions, and the updated National Health Service (Conditions relating to Payments by NHS Bodies to Local Authorities) Directions 2013, impose certain conditions that must be met in relation to each payment. These include conditions that:</p> <ul style="list-style-type: none"> <li>▪ the funding must be used to support adult social care services which also have a health benefit;</li> <li>▪ the local authority and its local clinical commissioning groups (CCGs) agree how the funding is best used within social care and the outcomes that are expected from the investment;</li> <li>▪ local authorities and CCGs have regard to the Joint Strategic Needs Assessment for their local population and existing commissioning plans for both health and social care in deciding how the funding is to be used; and</li> <li>▪ local authorities must be able to demonstrate how the funding transfer will improve social care services and outcomes for their users.</li> </ul> <p>NHSE must not place any other conditions on the funding transfers without the written agreement of the DH and must ensure that it has access to timely information on how the funding is being used locally.</p>	<p><i>The committee may wish to seek assurances that the Authority has complied with the DH Directions</i></p>



Area	Level of Impact	Comments	KPMG perspective
<b>Housing Revenue Account Borrowing Programme</b>	 <b>High</b>	<p>On 7 April the government launched the Housing Revenue Account Borrowing Programme which makes £300 million of borrowing available to provide 10,000 new affordable homes in 2015/16 and 2016/17. This funding will form part of the Local Growth Fund, available to local authorities who have a proposal agreed by their Local Enterprise Partnership.</p> <p>The government also published a revised set of General Consents under Section 25 of the Local Government Act 1988 which allows councils to dispose of vacant housing land to private registered providers and non-registered providers at less than market value.</p> <p>For more information visit <a href="https://www.gov.uk/government/news/extra-borrowing-powers-for-councils-to-build-10000-affordable-homes">https://www.gov.uk/government/news/extra-borrowing-powers-for-councils-to-build-10000-affordable-homes</a></p> <p>&amp;</p> <p><a href="https://www.gov.uk/government/publications/general-consents-for-privately-let-housing">https://www.gov.uk/government/publications/general-consents-for-privately-let-housing</a></p>	<p><i>The Council is already considering this and submitting an application for funds.</i></p>
<b>CIPFA Technical Accounting Alert – Frequency of Valuations for Property, Plant and Equipment</b>	 <b>Medium</b>	<p>CIPFA has issued a Technical Accounting Alert on the Frequency of Valuations for Property, Plant and Equipment. The Alert provides guidance to local authorities in interpreting the requirements for the revaluation of property, plant and equipment, but confirms that there are no changes to the requirements of the <i>CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14</i> which is still based on the underlying requirement to comply with IAS 16: <i>Property, Plant and Equipment</i>.</p> <p>For more information visit: <a href="http://www.cipfa.org/-/media/Files/Policy%20and%20Guidance/Panels/Local%20Authority%20Accounting%20Panel/Technical%20Alert%20Frequency%20of%20Valuations%20Final%20for%20publication.pdf">http://www.cipfa.org/-/media/Files/Policy%20and%20Guidance/Panels/Local%20Authority%20Accounting%20Panel/Technical%20Alert%20Frequency%20of%20Valuations%20Final%20for%20publication.pdf</a></p>	<p><i>From our discussions with the finance team they have confirmed their arrangements for revaluations of PPE for the year end.</i></p>

Area	Level of Impact	Comments	KPMG perspective
<b>CIPFA/LASAAC consultation – schools accounting</b>	 <b>Medium</b>	<p>On 21 February 2014, CIPFA/LASAAC released the single issue consultation – Accounting for Schools in Local Authorities in England and Wales relating to the 2014/15 Code of Practice on Local Authority Accounting in the United Kingdom.</p> <p>For more information, visit <a href="http://www.cipfa.org/SingleIssueITCAccountingforSchoolsinLocalAuthorities">http://www.cipfa.org/SingleIssueITCAccountingforSchoolsinLocalAuthorities</a>.</p> <p>The consultation paper sought views on the report of the Joint HM Treasury and CIPFA/LASAAC <i>Public Sector Accounting for Schools Working Group – The Accounting Treatment of Local Authority Maintained Schools in England and Wales</i>. It also provided an exposure draft addendum to the 2014/15 Code and an invitation to comment for public consultation. The 2014/15 Code will apply to accounting periods starting on, or after, 1 April 2014. This consultation closed on 4 April 2014.</p>	<p><i>From our discussions with the finance team, they are aware of this consultation.</i></p> <p><i>The committee may wish to consider whether the Council has responded to the consultation</i></p>
<b>LAAP Bulletin 98: Closure of the 2013/14 Accounts and Related Matters</b>	 <b>Medium</b>	<p>CIPFA has issued LAAP Bulletin 98: Closure of the 2013/14 Accounts and Related Matters which clarifies a number of issues regarding the preparation of 2013/14 financial statements in response to FAQs in relation to:</p> <ul style="list-style-type: none"> <li>▪ public health reform;</li> <li>▪ Non-Domestic Rates – provision for appeals against the rateable value of business properties;</li> <li>▪ component accounting;</li> <li>▪ accounting for pension interest costs in relation to current service cost and pension administration costs; and</li> <li>▪ disclosure requirements for dedicated schools grant.</li> </ul> <p>The bulletin also highlights a number of other issues affecting the closure of the 2013/14 accounts:</p> <ul style="list-style-type: none"> <li>▪ accounting standards that have been issued but have not yet been adopted;</li> <li>▪ use of example financial statements for preparation of the 2013/14 accounts;</li> <li>▪ minor amendment to Code 2013/14 guidance notes on the use of indices;</li> <li>▪ technical alerts; and</li> <li>▪ notification of the discontinuance of Icelandic and capital interest rates bulletins.</li> </ul> <p>With regard to future accounting periods, the Bulletin also provides an update on issues affecting 2014/15 and on the measurement of transport infrastructure assets in 2016/17.</p>	<p><i>Our discussions with the finance team to date indicate that relevant guidance has been considered.</i></p>

Area	Level of Impact	Comments	KPMG perspective
<p><b>Annual fraud and corruption survey 2013/14</b></p>	<p>● <b>Low</b></p>	<p>The Audit Commission annual fraud and corruption survey has been open to complete from 7 April.</p> <p>The survey requests information on detected fraud and corruption for the 2013/14 financial year. Completion and submission of the survey by audited bodies is a mandatory requirement under section 48 of the Audit Commission Act 1998.</p> <p>During the week commencing 7 April the Commission sent a link to the survey (using the Outreach EDC system) to directors of finance, or equivalent, at all principal local government bodies:</p> <ul style="list-style-type: none"> <li>▪ local authorities;</li> <li>▪ police and crime commissioners;</li> <li>▪ chief constables;</li> <li>▪ the Mayor’s Office for Policing and Crime;</li> <li>▪ the Commissioner of Police of the Metropolis;</li> <li>▪ the Greater London Authority and associated bodies;</li> <li>▪ fire and rescue authorities;</li> <li>▪ national parks authorities;</li> <li>▪ waste disposal authorities;</li> <li>▪ integrated transport authorities;</li> <li>▪ passenger transport executives; and</li> <li>▪ stand-alone pensions authorities</li> </ul> <p>The closing date for completion and submission of the survey is 16 May.</p>	<p><i>We can confirm that the Council has submitted the survey by the deadline of 16 May.</i></p>

Area	Level of Impact	Comments	KPMG perspective
<b>Whole of government accounts (WGA) timetable</b>	<p style="text-align: center;">● Low</p>	<p>HM Treasury has now published a corrected timetable for the submission of draft and audited Whole Government Accounts returns following the release of the WGA Newsletter – March 2014, which contained incorrect information.</p> <p>The deadline for local government bodies to submit their unaudited pack is 30 June 2014. The deadline for the external auditors to submit the audited pack is 3 October 2014.</p> <p>The revised timetable is on their website alongside various templates that audited bodies will be required to complete during the WGA process.</p> <p>For more information visit <a href="https://www.gov.uk/government/publications/whole-of-government-accounts-2013-to-2014-guidance-for-preparers">https://www.gov.uk/government/publications/whole-of-government-accounts-2013-to-2014-guidance-for-preparers</a></p>	<p><i>From our discussions with the finance team they are aware of the required deadlines.</i></p>
<b>Rural Services Delivery funding announcement</b>	<p style="text-align: center;">● Low</p>	<p>The Department for Communities and Local Government (DCLG) has confirmed that a settlement of £11.5 million will be made available to rural local authorities in 2014/15 to support them in transforming services and promoting efficiencies. This funding comprises £9.5 million of Rural Delivery Services funding, and £2 million additional funding targeted at the most rural councils.</p> <p>For more information, visit <a href="https://www.gov.uk/government/publications/rural-grant-allocations-for-2014-to-2015">https://www.gov.uk/government/publications/rural-grant-allocations-for-2014-to-2015</a></p>	<p><i>The Council will receive £82k of additional funding.</i></p>

Area	Level of Impact	Comments	KPMG perspective
<p><b>Audit Commission consultation on 2014/15 work programme and scales of fees</b></p>	<p>● Low</p>	<p>The 2014/15 work programme and scales of fees are now available, alongside the lists of fees for individual bodies. A summary of the responses to the Audit Commission consultation on the work programme and fees is also available.</p> <p>For more information visit <a href="http://www.audit-commission.gov.uk/audit-regime/1415WPSF">http://www.audit-commission.gov.uk/audit-regime/1415WPSF</a></p> <p>On Monday 31 March the Audit Commission consulted on its proposed work programme and scales of fees for the 2014/15 National Fraud Initiative (NFI). The transfer of the Commission's data matching functions (the NFI) to the Cabinet Office is expected to take place when the Commission closes at the end of March 2015.</p> <p>The NFI 2014/15 work programme and scale of fees covers the Commission's final set of data matching activities and there will be work-in-progress at 31 March 2015 which will need to be completed by the Cabinet Office after the transfer.</p> <p><b>Work Programme</b> Existing mandatory data matches will continue to be a part of the NFI 2014/15 work programme. In addition the Commission is also proposing to introduce two new mandatory requirements in the NFI 2014/15:</p> <ul style="list-style-type: none"> <li>• Council tax to electoral register data sets will be requested from local authorities every year - currently this data is requested every two years; and</li> <li>• Personal budget (direct payments) data will be introduced.</li> </ul> <p><b>Consultation</b> The Commission has proposed to carry out the NFI work programme, including the additional elements, within the existing scale of fees for mandatory participants. The consultation commenced on 31 March and continued until 12 May. The Commission will publish the final work programme and scales of fees for the NFI 2014/15 on 30 June. The consultation documents were available on the Commission's website from Monday 31 March.</p> <p>For more information visit <a href="http://www.audit-commission.gov.uk/fraud/nfi/public-sector/pages/fees.aspx">http://www.audit-commission.gov.uk/fraud/nfi/public-sector/pages/fees.aspx</a></p>	<p><i>The committee may wish to consider whether the Authority had responded to the consultation</i></p>

Area	Level of Impact	Comments
<b>Local Audit and Accountability Act 2014</b>	<p style="text-align: center;">● For information</p>	<p>The Local Audit and Accountability Act 2014 received Royal Assent on 30 January. The Act makes it possible for the Audit Commission to close, in line with the Government's expectations, on 31 March 2015. In its place there will be a new framework for local public audit, due to start after the Commission's current contracts with audit suppliers end in 2016/17, or in 2019/20 if they are extended. A transitional body, which is being set up by the Local Government Association, will oversee the contracts in the intervening period.</p> <p>In the statement the Commission's Chairman explains the main aims of the organisation in its final 14 months. Jeremy Newman also confirms plans are already in place for many of the residual responsibilities that will transfer to new organisations and highlights those for which a new owner has not yet been agreed.</p> <p>The Audit Commission's press release is available to view on its website:  <a href="http://www.audit-commission.gov.uk/2014/01/finish-line-in-sight-for-audit-commission/">http://www.audit-commission.gov.uk/2014/01/finish-line-in-sight-for-audit-commission/</a></p>
<b>Are other local authorities making more money? (CIPFA article)</b>	<p style="text-align: center;">● For information</p>	<p>"In this period of prolonged austerity, it is essential for local authorities to take advantage of the various income generation streams available to them if they wish to raise additional revenue as a means of providing funding for services. "</p> <p>Read the full article at: <a href="http://www.cipfa.org/policy-and-guidance/articles/are-other-local-authorities-making-more-money">http://www.cipfa.org/policy-and-guidance/articles/are-other-local-authorities-making-more-money</a></p>
<b>Financial ratios tool</b>	<p style="text-align: center;">● For information</p>	<p>On 4 April, the Audit Commission published its updated financial ratios analysis tool.</p> <p>The ratios tool has been updated to include:</p> <ul style="list-style-type: none"> <li>▪ data for the 2012/13 financial year; and</li> <li>▪ the restatement of the 2011/12 data where relevant.</li> </ul> <p>The ratio tool continues to include data from 2007/08 for district, unitary and county councils, data from 2008/09 for Greater London Authority bodies and data from 2009/10 for standalone fire authorities.</p> <p>Information is included for police and crime commissioners for 2011/12 and 2012/13 reflecting the data available for these new bodies.</p>

Area	Level of Impact	Comments
<p><b>Value for money data briefing on waste collection</b></p>	<p>● <b>For information</b></p>	<p>The Audit Commission has published Local authority waste management, the latest in a series of value for money (VFM) data briefings analysing data in the VFM profiles tool. The briefing examines spending and performance on household waste management.</p> <p>In 2012/13 the average spending on household waste management varied between local authorities with similar responsibilities. For example most authorities that both collect and dispose of waste (58 per cent) spent between £125 and £175 per household in 2012/13 but thirteen per cent spent more than £200 per household.</p> <p>In 2012/13, the amount of waste recycled varied from 12 per cent up to 67 per cent, with 40 authorities recycling less than 30 per cent of their household waste. And while landfill has reduced everywhere some regions are still more reliant than others.</p> <p>The variation in performance and spending suggests there may be opportunities to reduce expenditure. If councils were able to reduce their spending to the average for their authority type and waste responsibilities potentially up to £464 million could be saved overall. Any savings could be used to support more sustainable forms of waste management or be reinvested in other services.</p> <p>Previous briefings on councils' expenditure on benefits administration, council tax collection, social care for older people, income from charging and business rates are also available on the Commission's website.</p> <p>For more information visit <a href="http://www.audit-commission.gov.uk/information-and-analysis/value-for-money-briefings-2/">http://www.audit-commission.gov.uk/information-and-analysis/value-for-money-briefings-2/</a></p>

Area	Level of Impact	Comments
<p><b>Value for money data briefing on benefits administration</b></p>	<p>● <b>For information</b></p>	<p>The Commission has published Councils' expenditure on benefits administration, the latest in its series of value for money (VFM) data briefings analysing data in the VFM profiles tool. The briefing compares the cost of benefits administration to councils with the Department of Work and Pensions (DWP) funding received. The briefing reports that costs exceeded funding by £361 million in 2012/13, but identifies significant variations in the amount each council spends when compared with other councils of similar size and caseload.</p> <p>To read the report, visit: <a href="http://www.audit-commission.gov.uk/2014/01/administration-and-overpayment-of-benefits-cost-councils-829-million/">http://www.audit-commission.gov.uk/2014/01/administration-and-overpayment-of-benefits-cost-councils-829-million/</a></p> <p>Visit the VFM profiles tool website at: <a href="http://www.audit-commission.gov.uk/information-and-analysis/">http://www.audit-commission.gov.uk/information-and-analysis/</a></p> <p>The briefing also reports that in 2012/13 councils paid £468 million more in benefits than they received in subsidy from DWP. Councils are encouraged to use the national and local data to get a better understanding of their performance and costs and consider the scope to reduce their costs by improving their efficiency and reducing errors, overpayments and fraud.</p> <p>Previous briefings on council tax collection, social care for older people, income from charging and business rates are also available on the at <a href="http://www.audit-commission.gov.uk/information-and-analysis/value-for-money-briefings-2/">http://www.audit-commission.gov.uk/information-and-analysis/value-for-money-briefings-2/</a></p>
<p><b>Judicial review over lost waste credits</b></p>	<p>● <b>For information</b></p>	<p>Two local authorities have withdrawn their application for a judicial review against Defra's decision to remove £65 million in waste infrastructure credits. North Yorkshire County Council and City of York Council said continuing with the judicial review, which was due to be heard at the end of the month, "would not be in the public interest".</p> <p>Their grounds of challenge included that the Secretary of State did not make the decision to withdraw the credits after the councils had approved the plans for the £1.4 billion Allerton Waste Recovery Park in a proper manner and Defra failed to follow its own published criteria. In a statement, North Yorkshire and City of York said: "If the councils proceeded with the judicial review, and were successful, Defra would be required to repeat the decision making process but it is now clear that the likely outcome would be that Defra would reach the same conclusions and the funding support for the project would not be reinstated."</p> <p>North Yorkshire County Council and York City Council have spent more than £7million over eight years on expert advice over plans for the site near Harrogate. If the scheme does not go ahead the councils could be liable for a termination payment to contractors AmeyCespa of up to £5m.</p> <p>Bradford and Calderdale councils, who also had a judicial review claim against Defra over the withdrawal of waste infrastructure credits, have settled their claim.</p>



Area	Level of Impact	Comments
<b>Administration of Benefits, including overpayments, cost councils £829m (Audit Commission article)</b>	<p style="text-align: center;">●</p> <p style="text-align: center;"><b>For information</b></p>	<p>Councils administer housing benefit on behalf of central government. They also administered council tax benefit until it was replaced in April 2013 by local council tax support schemes. Councils' local arrangements, such as how quickly, accurately and efficiently they process claims, affect the amount they spend administering benefits and the amount of subsidy they receive from the Department for Work and Pensions (DWP). By improving their performance, councils can reduce their costs, which are in excess of £800 million per year.</p> <p>Read the full article <a href="http://www.audit-commission.gov.uk/2014/01/administration-and-overpayment-of-benefits-cost-councils-829-million/">http://www.audit-commission.gov.uk/2014/01/administration-and-overpayment-of-benefits-cost-councils-829-million/</a></p>
<b>High central costs in some councils need greater scrutiny (Audit Commission article)</b>	<p style="text-align: center;">●</p> <p style="text-align: center;"><b>For information</b></p>	<p>The Audit Commission has published new analysis of data on English councils' central management costs in its briefing, Councils' Centrally Managed Spending: Using Data From the Value for Money Profiles. Overall spending on corporate and democratic management reduced by 13 per cent from 2003/04 to 2012/13, while spending on central management support to services increased by 10 per cent. However, gaps and inconsistencies in councils' recorded spending in these areas will, the Commission says, hinder councils' attempts to identify savings and undermines accountability to taxpayers. As a result, the Commission is calling for greater local scrutiny and more consistent reporting by councils of their central management spending.</p> <p>Read the full article <a href="http://www.audit-commission.gov.uk/2014/02/high-central-costs-in-some-councils-need-greater-scrutiny-2/">http://www.audit-commission.gov.uk/2014/02/high-central-costs-in-some-councils-need-greater-scrutiny-2/</a></p>
<b>Children's social care: the case for early intervention (CIPFA article)</b>	<p style="text-align: center;">●</p> <p style="text-align: center;"><b>For information</b></p>	<p>"Children's social care is a politically sensitive and emotive area. Yet under the austerity measures, it has seen increased demand, to be met by a smaller pool of funding. Department for Education (DfE) Statistics show over the past three years, referrals to children's social care have risen steadily, a growth of 12.43 per cent from 2008/09 to 2010/11. The reasons why demand is increasing needs to be examined – and, if possible, the causes addressed – in order to stem the rising tide."</p> <p>Read the full article <a href="http://www.cipfa.org/policy-and-guidance/articles/childrens-social-care-the-case-for-early-intervention">http://www.cipfa.org/policy-and-guidance/articles/childrens-social-care-the-case-for-early-intervention</a></p>



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# Appendix

## Appendix 1 – 2013/14 Audit deliverables

At the end of each stage of our audit we issue certain reports and opinions.

Our key reports will be delivered to a high standard and on time.

We discuss and agree each report with the Council's officers prior to publication.

Deliverable	Purpose	Timing of Audit Committee	Status
<b>Planning</b>			
Fee letter	Communicate indicative fee for the audit year (ie 2013/14)	June 2013	<b>Completed</b>
External audit plan	Outline our audit strategy and planned approach Identify areas of audit focus and planned procedures	March 2014	<b>Completed</b>
<b>Interim</b>			
Interim report	Details and resolution of control and process issues. Identify improvements required prior to the issue of the draft financial statements and the year-end audit. Initial VFM assessment on the Council's arrangements for securing value for money in the use of its resources.	March 2014	<b>Completed</b>
<b>Substantive procedures</b>			
Report to those charged with governance (ISA+260 report)	Details the resolution of key audit issues. Communication of adjusted and unadjusted audit differences. Performance improvement recommendations identified during our audit. Commentary on the Council's value for money arrangements.	July 2014	On track to deliver .
<b>Completion</b>			
Auditor's report	Providing an opinion on your accounts (including the Annual Governance Statement). Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the VFM conclusion).	July 2014	On track to deliver.
Pension Fund Annual report	We provide an opinion on the consistency of the Pension Fund annual report with the Pension Fund accounts.	September 2014	On track to deliver.
WGA	Concluding on the Whole of Government Accounts consolidation pack in accordance with guidance issued by the National Audit Office.	September 2014	On track to deliver.
Annual audit letter	Summarise the outcomes and the key issues arising from our audit work for the year.	December 2014	On track to deliver.
<b>Certification of claims and returns</b>			
Certification of claims & returns report	Summarise the outcomes of certification work on your claims and returns for Government departments.	December 2014	On track to deliver.



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