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# External audit progress report and technical update

**Wiltshire Council**

October 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 deliverables, including reports and opinions. A summary of progress against these deliverable 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 July 2014, our final audit visit had been undertaken and our audit work was substantively complete. We set out the key findings arising from our audit in our <i>Report to those charged with governance (ISA260 report) 2013/14</i> which was presented at the last Committee.</p> <p>Following the completion of the public inspection period, we signed the Auditors Report on the accounts on 8 September 2014. This included</p> <ul style="list-style-type: none"> <li>■ An unqualified opinion in relation to the Council's financial statements;</li> <li>■ An unqualified opinion in relation to the Council's Value for Money arrangements; and</li> <li>■ An unqualified opinion in relation to the Pension Fund's financial statements.</li> </ul> <p>We also concluded our work in relation to the Council's Whole of Government Accounts consolidation pack on 8 September 2014 and confirmed that the pack was consistent with the audited financial statements.</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 estimated 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; and</li> <li>■ Asset Valuations – During 2012/13 the Council recognised a £14 million downward valuation on the completion of Phase 1 of County Hall. Phase 2 was completed during 2013/14 and the Council was expecting another downward revaluation.</li> </ul> <p>During our final audit visit we have:</p> <ul style="list-style-type: none"> <li>■ Reviewed 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>■ Considered how the Council has assured itself that the overall renovation project represented value for money through the benefits obtained as a result of its completion.</li> </ul> <p>The results of this work were included in our <i>Report to those charged with governance (ISA260 report) 2013/14</i>.</p>

## External audit progress report – October 2014 (continued)

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 deliverables, including reports and opinions. A summary of progress against these deliverable is provided in Appendix 1 of this report

Area of responsibility	Commentary
<b>Certification of claims and returns</b>	<p>We have completed our certification work in relation to the Council's Pooling of Housing Capital Receipts return and issued an unqualified certificate on 29 August 2014.</p> <p>Our work in relation to the Council's Housing Benefits Subsidy Scheme is currently in progress and is on track for completion by the 30 November 2014 deadline.</p> <p>We are continuing to negotiate with the Teachers' Pension Agency in relation to the arrangements necessary to allow us to undertake the certification of the <i>Teachers' Pension Return 2013/14</i>. We will provide the Council with an update as soon as these negotiations are completed.</p> <p>As the certification of this return falls outside of the Audit Commission Certification Regime, we will be required to issue a separate engagement letter. In addition, a separate fee will be chargeable in relation to this work.</p>
<b>2014/15 Financial Year</b>	<p>In preparation for the 2014/15 audit, we have issued a <i>Joint Internal Audit Protocol</i> to share information on possible testing that SWAP may choose to undertake, which would facilitate our ability to rely upon it. We have met with key officers from SWAP and discussed the key financial controls in order to avoid duplication of work.</p> <p>We have also met with officers of the Council in relation to the insourcing of the SAP support service and to identify how we can best support the Council through this process in order to ensure that both audit and operational risks are addressed appropriately.</p>
<b>Other</b>	<p>In July 2014, we issued our <i>Local Authority Corporate Risk Register Analysis Report</i> to your Associate Director of Finance and Pensions. The benchmarking report compared the Council's risk register to our local government audit client base, where the key risks were identified and compared as well as how councils have structured their risk management process.</p>



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# KPMG resources



Area	Comments
<p><b>KPMG/Shelter report: Fix the housing shortage or see house prices quadruple in 20 years</b></p>	<p>Without a radical programme of house building average house prices in England could double in just ten years to £446,000, according to new research. In twenty years they could quadruple, with the average house price estimated to rise to over £900,000 by 2034 if current trends continue.</p> <p>The research from KPMG and Shelter also reveals that more than half of all 20-34 year olds could be living with their parents by 2040, as soaring housing costs caused by the shortage of affordable homes leave more and more people priced out of a home of their own.</p> <p>The warning comes as KPMG and Shelter launch a landmark new report, outlining how the 2015 government can turn the tide on the nation's housing shortage within a single parliament. With recent government figures showing that homeownership in England has been falling for over a decade, the consequences of our housing shortage are already being felt.</p> <p>The report sets out a blueprint for the essential reforms that will increase the supply of affordable homes and stabilise England's rollercoaster housing market.</p> <p>It calls on politicians to commit to an integrated range of key measures, including:</p> <ul style="list-style-type: none"> <li>■ Giving planning authorities the power to create 'New Homes Zones' that would drive forward the development of new homes. Combined with infrastructure, this would be led by local authorities, the private sector and local communities, and self-financed by sharing in the rising value of the land.</li> <li>■ Unlocking stalled sites to speed up development and stop land being left dormant, by charging council tax on the homes that should have been built after a reasonable period for construction has passed.</li> <li>■ Introducing a new National Housing Investment Bank to provide low cost, long term loans for housing providers, as part of a programme of innovative ways to finance affordable house building.</li> <li>■ Helping small builders to get back into the house building market by using government guarantees to improve access to finance.</li> <li>■ Fully integrating new homes with local infrastructure and putting housing at the very centre of City Deals, to make sure towns and cities have the power to build the homes their communities need.</li> </ul> <p>To read the report, visit <a href="https://portal.ema.kworld.kpmg.com/uk/Documents/NewsroomDocs/2014/KPMG%20Shelter%20report%20FINAL.pdf">https://portal.ema.kworld.kpmg.com/uk/Documents/NewsroomDocs/2014/KPMG%20Shelter%20report%20FINAL.pdf</a>.</p> <p>For more information, please contact a member of the audit team.</p>





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# Technical update



Area	Level of Impact	Comments	KPMG perspective
<b>National Audit Office consultation: Draft Code of Audit Practice for the audit of local public bodies</b>	 <b>Medium</b>	<p>On Friday 19 September 2014 the National Audit Office (NAO) launched its consultation on the draft Code of Audit Practice for the audit of local public bodies. Subject to Parliamentary approval, the Code will take effect from 1 April 2015 for audit work relating to the 2015/16 financial year onwards.</p> <p>The NAO is seeking views and comments on the draft Code. In particular, the views of audited bodies are being sought on how valuable the work carried out each year on value-for-money arrangements is. The closing date for consultation responses is Friday 31 October 2014.</p> <p>For more information visit <a href="http://www.nao.org.uk/keep-in-touch/our-surveys/consultation-code-audit-practice/">http://www.nao.org.uk/keep-in-touch/our-surveys/consultation-code-audit-practice/</a></p>	<p><i>The Council has provided feedback through the Society of County Treasurers.</i></p> <p><i>In addition, Michael Hudson, is a member of two working groups who are contributing to this matter.</i></p>
<b>Invitation to Comment and Simplification and Streamlining the Presentation of Local Authority Financial Statements</b>	 <b>Medium</b>	<p>CIPFA and CIPFA/LASAAC have recently consulted on the Simplification and streamlining of the presentation of local authority financial statements.</p> <p>The consultation focused on the reporting of local authority performance and therefore on the comprehensive income and expenditure statement, the movement in reserves statement and the segmental reporting requirements specified in the Code of practice on local authority accounting in the United Kingdom. As an important part of reporting performance, it also considered the narrative reporting requirements which would accompany the financial statements.</p> <p>The consultation closed on 19 September 2014.</p>	<p><i>As above.</i></p>

Area	Level of Impact	Comments	KPMG perspective
<b>Audit Commission calls for improved quality and accuracy in grant and subsidy claims and returns</b>	 <b>Medium</b>	<p>78 per cent of councils' claims to the grant-paying body for housing benefit subsidies for 2012/13 were challenged by the Audit Commission's appointed auditors. Auditors issued a qualification letter in 35 per cent (360) of the 1,023 claims and returns made by councils for 2012/13 in respect of seven schemes for grants or subsidies. 255 of the 360 (71 per cent) qualifications related to claims for housing and council tax benefit subsidy. In total, these seven schemes transfer £50.5 billion of public money from central to local government.</p> <p>The full findings in <i>Local Government Claims and Returns: Auditor's Certification Work for 2012/13</i>, also provide an overview of how local authority handling of claims and subsidies has changed since the Commission first produced a national report for the 2008/09 financial year. For example, between 2009 and 2013, auditors made amendments to about one quarter of teachers' pensions returns. 55 teachers' pensions returns (36 per cent) for 2012/13 were qualified, double that for 2011/12.</p> <p>To view the full report, visit <a href="http://www.audit-commission.gov.uk/audit-regime/certifying-claims-and-returns/">http://www.audit-commission.gov.uk/audit-regime/certifying-claims-and-returns/</a></p>	<p><i>We will report the findings of our 2013/14 certification work in January 2015.</i></p>
<b>2014/15 work programme and scales of fees for the National Fraud Initiative</b>	 <b>Low</b>	<p>On Monday 30 June 2014 the Audit Commission published the final 2014/15 work programme and scale of fees for National Fraud Initiative (NFI).</p> <p>The Commission has considered the small number of consultation responses received. Respondents generally supported the Commission's decision to recognise the financial pressures that public bodies are facing in the current economic climate by keeping the scale of fees the same as for NFI 2012/13. They also raised some specific points, on which the Commission will respond directly to the organisations concerned. A summary of the consultation responses can be viewed at <a href="http://www.audit-commission.gov.uk/wp-content/uploads/2014/06/NFI-2014-15-Work-programme-and-scale-of-fees-Consultation-Feedback.pdf">http://www.audit-commission.gov.uk/wp-content/uploads/2014/06/NFI-2014-15-Work-programme-and-scale-of-fees-Consultation-Feedback.pdf</a>.</p> <p>The final work programme and scale of fees documents for the NFI 2014/15 exercise are available on the Commission's website <a href="http://www.audit-commission.gov.uk/national-fraud-initiative/public-sector/fees/">http://www.audit-commission.gov.uk/national-fraud-initiative/public-sector/fees/</a>.</p> <p><b>Data request</b></p> <p>The NFI Team sent the formal NFI 2014/15 data request to all mandatory participant directors of finance on Monday 30 June. Directors of finance of existing voluntary participants also received an invitation to participate. The emails included links to the NFI online instructions which give details of NFI data requirements and also announce the launch of the Commission's 2014/15 web application.</p> <p>Participants were required to submit the required data sets, through the secure NFI web application, on Monday 6 October 2014. The Commission expect to release the data matches on Thursday 29 January 2015.</p>	<p><i>The Council's Fraud Team have completed the data submission in accordance with the deadline set.</i></p>

Area	Level of Impact	Comments
<b>Audit Commission 14/15 Scale Fees confirmed</b>	● For info	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. 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>
<b>The NAO's role in local audit</b>	● For info	The National Audit Office (NAO) is taking on new responsibilities in the new framework for the audit of local bodies. The NAO has produced a leaflet which provides information on its new role, examples of its recent value for money work focused on local services, and contact details for you to provide views and suggestions or to ask questions about its work. For more information, visit <a href="http://www.nao.org.uk/report/the-naos-role-in-local-audit/">http://www.nao.org.uk/report/the-naos-role-in-local-audit/</a>
<b>Local government funding: Assurance to Parliament (NAO report)</b>	● For info	A recent NAO report examines how the Department for Communities and Local Government (DCLG) has implemented and oversees the assurance framework that enables departments to assure Parliament on funding for local authorities following the changes in the 2010 Spending Review to give local authorities more control over their funding. The report finds that under current arrangements DCLG's monitoring information gives limited insight into whether value for money is being achieved in practice. It also suggests that departments should assess whether continuing to fund local authorities through un-ringfenced targeted grants is appropriate in the context of a locally-defined approach to achieving value for money. To view the report, visit <a href="http://www.nao.org.uk/report/local-government-funding-assurance-to-parliament/">http://www.nao.org.uk/report/local-government-funding-assurance-to-parliament/</a>
<b>Public Accounts Committee report – Local government funding: assurance to Parliament</b>	● For info	The Public Accounts Committee has recently published a report on funding for local authorities. This found that whilst the Department for Communities and Local Government (DCLG) has increased flexibility for local government spending, allowing local authorities to use government funding according to local priorities, DCLG cannot be sure that the local accountability system is ensuring that local authorities are achieving value for money with their funding. The report can be found at <a href="http://www.publications.parliament.uk/pa/cm201415/cmselect/cmpubacc/456/456.pdf">http://www.publications.parliament.uk/pa/cm201415/cmselect/cmpubacc/456/456.pdf</a>

Area	Level of Impact	Comments
<b>Government plans to regulate public sector exit payments</b>	<p style="text-align: center;">●</p> <b>For info</b>	<p>The government has recently consulted on proposals to ensure exit payments are recovered when high earners return to the same part of the public sector within twelve months of leaving. The proposed provisions will be included in the Small Business, Enterprise and Employment Bill.</p> <p>The consultation outlines the government’s proposal to underpin exit payment recovery across the public sector. The government expects any changes brought about as part of this consultation to support existing or on-going changes to exit payment arrangements to ensure they are fair and promote value for money more widely.</p> <p>More information can be found at <a href="https://www.gov.uk/government/consultations/recovery-of-public-sector-exit-payments">https://www.gov.uk/government/consultations/recovery-of-public-sector-exit-payments</a></p>
<b>Consultation on Local Government Pension Scheme</b>	<p style="text-align: center;">●</p> <b>For info</b>	<p>The government has recently consulted on new governance arrangements, and sought responses from interested parties on the draft (pension) regulations which are to come into force from October 2014 onwards.</p> <p>The main provisions include a requirement for the Secretary of State to establish a national scheme advisory board to advise him on the desirability of changes to the scheme. Provision is also made for administering authorities to establish local pension boards to assist them with the effective and efficient management and administration of the scheme.</p> <p>Further information can be found at <a href="https://www.gov.uk/government/consultations/the-local-government-pension-scheme-amendment-regulations-2014-draft-regulations-on-scheme-governance">https://www.gov.uk/government/consultations/the-local-government-pension-scheme-amendment-regulations-2014-draft-regulations-on-scheme-governance</a></p>
<b>Government publishes response on local authority parking strategies</b>	<p style="text-align: center;">●</p> <b>For info</b>	<p>The government launched a consultation paper on local authority parking enforcement in 2013. The consultation closed in February 2014 and the government has now responded with a number of proposals, including:</p> <ul style="list-style-type: none"> <li>■ amending guidance to make it clear that motorists parking at an out-of-order meter should not be issued a penalty charge where there are no alternative ways to pay;</li> <li>■ banning the use of CCTV cameras to enforce parking contraventions in the vast majority of cases, but with some exceptions (eg restricted areas outside of schools);</li> <li>■ widening the powers of parking adjudicators. This could include, for example, measures to protect drivers where adjudicators have repeatedly identified a problem at a specific location (such as inadequate signage) and parking tickets have repeatedly been issued; and</li> <li>■ introducing a mandatory 10 minute free period at the end of paid-for on-street parking either through amendments to statutory guidance or regulations.</li> </ul> <p>Further information can be found at <a href="https://www.gov.uk/government/consultations/local-authority-parking">https://www.gov.uk/government/consultations/local-authority-parking</a></p>

Area	Level of Impact	Comments
<p><b>Update to VFM profiles – Children &amp; Young People</b></p>	<p>● For info</p>	<p>The VFM profiles tool was being updated on Friday 11 July 2014. The update includes a redesigned children and young people section based on the latest section 251 outturn data for 2012/13. This data includes the time series back to 2009/10 wherever possible, and the change brings the children and young people’s section in line with the rest of the profiles where outturn data is used. The VFM profiles previously used section 251 planned budget data.</p> <p>This section is now organised into the follow areas of expenditure:</p> <ul style="list-style-type: none"> <li>■ LA education services</li> <li>■ Schools and services</li> <li>■ Sure start &amp; early years</li> <li>■ Looked after children</li> <li>■ Safeguarding</li> <li>■ Youth justice</li> <li>■ Young people</li> <li>■ Other children &amp; family services</li> <li>■ Asylum seekers</li> </ul> <p>Each section contains financial indicators from the section 251 outturn data collection and relevant performance or contextual indicators. Note the Commission issued a VFM briefing paper in August 2014.</p>
<p><b>VFM data briefing, expenditure on looked after children</b></p>	<p>● For info</p>	<p>The Audit Commission has published Councils’ expenditure on looked after children, the latest in its series of VFM data briefings analysing data in the VFM profiles.</p> <p>The briefing reports that, although the number of looked after children increased by 12 per cent between 2008/09 and 2012/13, councils’ expenditure increased by only 4 per cent. Reductions in the daily cost of care and an increase in the proportion of children receiving foster care saved a total of £239 million, partially offsetting the spending pressure arising from the increased number of children in care.</p> <p>The briefing looks in more detail at some of the factors which influence how much councils spend on foster care and encourages councils to use the VFM Profiles to compare their costs with those of similar councils.</p> <p>The briefings can be found 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>

Area	Level of Impact	Comments
<b>VFM data briefing, managing council property assets</b>	<p style="text-align: center;">●</p> <b>For info</b>	<p>On 5 June, the Audit Commission published the latest in its series of VFM briefings, <i>Managing council property assets: Using data from the VFM Profiles</i></p> <p>The briefing draws on Capital Outturn Return (COR) data in the Profiles to show trends since 2004/05 in: the net book value (NBV) of the operational and investment estates; levels of capital investment; and sources of finance for capital investment. It deals with how to release more value from the estate overall, and in particular, it addresses the need for councils to consider how they can best use or dispose of surplus assets, which had a NBV of £2.5 billion in 2012/13.</p> <p>As part of this update the following updated data has been added to the Profiles:</p> <ul style="list-style-type: none"> <li>■ Sustainable economy section, planning – processing of planning applications – quarter 3 2012/13.</li> <li>■ Financial resilience, revenue collection services – CIPFA Revenue Collection Statistics – for 2012/13.</li> <li>■ Environmental services – ENV18 – Local authority collected waste: annual results tables, final annual results for local authority collected waste and management figures for England. The Department for Environment, Food and Rural Affairs revised this data in May 2014. The data in the VFM profiles has been updated for the total local authority collected waste and household – waste not sent for recycling.</li> <li>■ Benefits caseload – the latest available monthly data has been added, bringing the latest data to February 2014.</li> </ul> <p>For further information visit: <a href="http://www.audit-commission.gov.uk/2014/06/can-local-governments-2-5-billion-surplus-assets-be-put-to-better-use/">http://www.audit-commission.gov.uk/2014/06/can-local-governments-2-5-billion-surplus-assets-be-put-to-better-use/</a></p>

Area	Level of Impact	Comments
<b>VFM data briefing, waste collection</b>	<p>●</p> <p>For info</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>
<b>Maintaining strategic infrastructure: roads (NAO report)</b>	<p>●</p> <p>For info</p>	<p>The NAO has published a report on Maintaining strategic infrastructure: roads. This report highlights how the lack of predictability of funding for highways authorities has practical implications for the roads network and may lead to increased costs in the long term.</p> <p>Although the report focuses primarily on central government responsibilities it may be of interest to you for your highways management responsibilities.</p> <p>To read the report, visit <a href="http://www.nao.org.uk/report/maintaining-strategic-infrastructure-roads/">http://www.nao.org.uk/report/maintaining-strategic-infrastructure-roads/</a></p>
<b>Tool launched to help councils compare care performance on social care</b>	<p>●</p> <p>For information</p>	<p>The Department of Health has launched a new tool to help councils compare their performance on social care with similar areas across England. The tool groups upper tier and unitary authorities by their spending on the over-65s and working age adults with learning disabilities. The aim is to help local authorities see how they are meeting various indicators, and to identify areas for improvement by viewing the performance of their peers.</p> <p>The tool can be found at: <a href="https://www.gov.uk/government/publications/adult-social-care-efficiency-tool">https://www.gov.uk/government/publications/adult-social-care-efficiency-tool</a></p>

Area	Level of Impact	Comments
<b>Funding healthcare: Making allocations to local areas (NAO report)</b>	<p style="text-align: center;">●</p> <b>For info</b>	<p>The National Audit Office (NAO) has recently published a report examining the extent to which £79 billion of central funding allocated to local health bodies differs from target allocations based on relative need. It finds that nearly two-fifths of Clinical Commissioning Groups (CCGs) are more than five percentage points above or below their fair share of funding per person. It also finds that there is a clear relationship between the financial position of CCGs and their distance from target funding allocations, with 19 of the 20 CCGs with the tightest financial position receiving less than their target allocation, and 18 of the 20 with the largest surpluses receiving more than their target allocation.</p> <p>For more information, visit <a href="http://www.nao.org.uk/report/funding-healthcare-making-allocations-to-local-areas/">http://www.nao.org.uk/report/funding-healthcare-making-allocations-to-local-areas/</a></p>
<b>NFI – June 2014 National Report Published</b>	<p style="text-align: center;">●</p> <b>For info</b>	<p>On Thursday 12 June 2014 the Audit Commission published its report on the NFI, the Commission’s data matching exercise to help prevent and detect fraud. Since the last report in May 2012 the NFI has identified £203 million of fraud, overpayment and error in England. A further £26 million was identified by the NFI in Scotland, Wales and Northern Ireland bringing total outcomes since the last report to £229 million.</p> <p>Since its launch in 1996, the NFI has enabled the public and private sector participants across the UK to detect fraud, overpayment and error totalling £1.17 billion.</p> <p>To read the report, visit <a href="http://www.audit-commission.gov.uk/2014/06/the-national-fraud-initiative-finds-229-million-of-fraud-overpayment-and-error/">http://www.audit-commission.gov.uk/2014/06/the-national-fraud-initiative-finds-229-million-of-fraud-overpayment-and-error/</a></p>
<b>Distribution of National Fraud Initiative (NFI) information packs to elected members at councils in England</b>	<p style="text-align: center;">●</p> <b>For information</b>	<p>To complement the National Fraud Initiative (NFI) national report published in June 2014 (available at <a href="http://www.audit-commission.gov.uk/national-fraud-initiative/nfi-reports/">http://www.audit-commission.gov.uk/national-fraud-initiative/nfi-reports/</a>), the Audit Commission distributed an information pack for elected members with responsibility for finance and audit at councils in England in August. A copy was also be sent to directors of finance and NFI key contacts for information.</p> <p>The information pack brings together key facts about the NFI, the council’s NFI outcomes and comparisons to their CIPFA nearest neighbours. The pack links to a series of questions elected members can put to their director of finance (NFI senior responsible officer). The responses will help them understand how the NFI is being used within the council, the benefits of taking part and if they are being maximised.</p> <p>If you did not receive the information pack and would like a copy please contact via email at <a href="mailto:nfiqueries@audit-commission.gsi.gov.uk">nfiqueries@audit-commission.gsi.gov.uk</a></p>



Area	Level of Impact	Comments
<p><b>Tenfold difference in outsource spending revealed (Local Government Chronicle article)</b></p>	<p>● For info</p>	<p>“Exclusive analysis has revealed a tenfold difference in the amount councils spend per head of population on outsourced services. Figures from a database of councils’ published receipts for 2012-13 show a huge gulf in the amount spent by top-tier councils with organisations in the private, public and voluntary sectors.</p> <p>Wigan MBC spent just £116 with outside providers per head of population, compared with over £1,000 at several London boroughs and £1,450 at Southend BC.</p> <p>The data, compiled by research firm Porge and analysed by Local Government Chronicle, presents for the first time a broad picture of the total trade top-tier councils carried out with other organisations, based on all published receipts for expenditure over £500. It shows councils spent £30.5bn with outside providers in 2012-13.</p> <p>Alongside classic outsourcing expenditure, such as waste contracts, this includes capital schemes such as house building and payments to financial institutions.”</p> <p>To view the full article, visit <a href="http://www.lgcplus.com/5071076.article">http://www.lgcplus.com/5071076.article</a></p>
<p><b>Accounting for Injury Benefits – Firefighters and Police Officers</b></p>	<p>● For info</p>	<p>In 2006, the Firefighters’ Compensation Scheme (England) Order came into force. One of its effects was to change the way injury benefits were funded and accounted for in respect of firefighters who had retired due to injury.</p> <p>The Department for Communities and Local Government (DCLG) has identified instances where some authorities have incorrectly charged injury benefits to the pension fund account and consequently DCLG may have overpaid top-up grant. The Fire Finance Network is currently discussing proposals with DCLG for all fire authorities and county councils with fire responsibilities to provide DCLG with statements of assurance to confirm that they are accounting correctly for injury benefits and are taking steps to correct any previous errors which may have occurred.</p> <p>The guidance made available to KPMG by both the Audit Commission and DCLG was clear that injury benefits are not a charge to the Firefighters Pension Fund, and are not covered by top-up grant.</p> <p>For further information see the DCLG guidance at <a href="https://www.gov.uk/government/publications/firefighter-pensions-financial-arrangements-guidance">https://www.gov.uk/government/publications/firefighter-pensions-financial-arrangements-guidance</a>.</p> <p>The Police (Injury Benefit) Regulations 2006 made similar provisions in respect of injury benefits for police officers.</p> <p>The Home Office did not issue specific guidance on police injury benefits.</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 (i.e. 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.	June 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	<b>Completed</b>
<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).	September 2014	<b>Completed</b>
Pension Fund Annual report	We provide an opinion on the consistency of the Pension Fund annual report with the Pension Fund accounts.	September 2014	<b>Completed</b>
WGA	Concluding on the Whole of Government Accounts consolidation pack in accordance with guidance issued by the National Audit Office.	September 2014	<b>Completed</b>
Annual audit letter	Summarise the outcomes and the key issues arising from our audit work for the year.	October 2014	<b>Completed</b>
<b>Certification of claims and returns</b>			
Certification of claims and returns report	Summarise the outcomes of certification work on your claims and returns for Government departments.	January 2015	On track to deliver



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