

COMMITTEE: AUDIT AND GOVERNANCE

DATE: 14 DECEMBER 2010

SUBJECT: EXTERNAL AUDIT PLAN

REPORT BY: HEAD OF CORPORATE FINANCE

CONTACT OFFICER: DAVE KEMPSON

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IMPLICATIONS:

LEGAL

COMMUNITY

SAFETY

EQUALITIES

ENVIRONMENT

FINANCIAL

RISKS

STAFFING

OTHER

WARDS AFFECTED: NONE

PURPOSE

1. For the Committee to consider the External Audit Plan for the 2010/11 audit.

RECOMMENDATIONS

2. **The Committee is asked to note the External Audit Plan.**

REPORT

3. Attached as Appendix A is the External Audit Plan for the 2010/11 audit. As members are aware from the progress reports provided to the committee, the accounts will be changing substantially for 2010/11 which will bring new challenges in preparing the accounts for audit.
4. The attached plan sets out the proposed approach to the value for money assessment since the demise of the use of resources work, as well as the approach to the accounts audit. There is continuity in that the Audit Partner and Manager remain unchanged. There is a change in the Assistant Manager who is the primary on-site contact, but the person involved has previous experience of auditing Luton, which will be very helpful.
5. The plan notes that the fee for 2010/11 remains unchanged at this point, but that the Audit Commission is due to make an announcement this month

on the 2011/12 fee, and on the potential (or otherwise) for a further rebate relating to 2010/11.

RISK IMPLICATIONS

6. The Council needs to ensure that sufficient resources are allocated to the work required for the 2010/11 accounts in order to avoid any potential for the accounts to be qualified.

APPENDIX

7. Appendix A – 2010/11 Audit Plan

LIST OF BACKGROUND PAPERS
LOCAL GOVERNMENT ACT 1972, SECTION 100D

None

PERFORMANCE INDICATORS AND BENCHMARKS TO 19 NOVEMBER 2010

PERFORMANCE INDICATOR	Total for all departments	TARGET
Number of audit reports produced	81	N/A
The proportion of draft audit reports which have been issued to clients within 10 working days of the conclusion of the audit (measured from the last day on site in working days) expressed as a percentage of the total	94%	95%
Percentage of audits within budget	86%	90%
Percentage of final reports issued within ten working days of discussion of the draft report	99%	98%
Percentage of final reports followed up within nine months of the issue of the final report where required	79%	95%
Percentage of recommendations fully implemented	77%	N/A
Percentage of recommendations partially implemented	14%	N/A
Percentage of recommendations not implemented	9%	N/A
Percentage of productive time compared to total days	64%	59%
Percentage of planned days completed	93%	92%
Percentage of customer surveys with higher than satisfactory mark	100%	100%
Sickness absence as a percentage of total days	2%	4%

Audit Plan Progress to 19 November 2010

	DAYS				Report Status
	Actual	Plan	Actual	Plan	F = Final D= Draft C = completed no report required
Chief Executive					
LAA2 Assurance	3.34	0.00			F
PVE Commissioning Structure	0.37	0.00			C
Emergency Planning	0.98	10.00			
Electoral Services (Canvas Process)	8.19	10.00			
Postal Votes – Election	9.43	10.00			C
Use of Resources / Data Quality	0.20	10.00			
Cohesion & Inclusion Strategy	2.30	10.00			
Partnership Monitoring Follow Up	9.93	10.00			F
Single Equalities Scheme	0.61	5.00			C
Total			35.35	65.00	
Customer and Corporate Services					
Bank Reconciliations (09-10)	0.88	0.00			F
Local Land Charges	0.88	0.00			F
Trent - Data Quality	5.17	0.00			F
Follow up of Reviews	1.40	0.00			
The Mall 2008	11.41	10.00			D
The Mall 2009	10.40	10.00			D
LEP Procedures for issuing work	2.84	10.00			
Budgetary Control	5.29	10.00			
Bank Reconciliation	0.68	10.00			
Creditors	4.39	10.00			
Debtors	1.37	10.00			
Fixed Assets	6.46	10.00			
Main Accounting	2.95	10.00			
Treasury Management	2.92	10.00			
Payroll	1.79	10.00			
Duplicate Payments	0.33	10.00			
Procurement	11.71	12.00			D
Cashiers Functions	1.14	10.00			
Review of Cashiers Policies	1.49	5.00			
Call Centre Overflow Contract	7.83	10.00			F
Council Tax	5.66	10.00			
NNDR	5.75	10.00			
Benefits	19.10	20.00			
Lean Review - Car Leasing	18.08	17.00			C
Lean Review - IT Processes	1.97	2.00			C
Lean Health Check Project	1.13	1.00			C
Lean Work – General	9.27	20.00			
Audits not commenced		10.00			
Total			142.29	247.00	

Housing & Community Living

Temporary Accommodation	2.58	0.00	F
Follow up of Reviews	0.68	0.00	
BTS - Procurement Arrangements	10.56	10.00	F
Choice Based Lettings	16.57	10.00	D
Private Sector Housing	1.58	5.00	C
Disabled Facilities Grant	12.57	15.00	F
Personalisation/RAS	0.44	10.00	
Vocational Training Centre Follow Up	5.16	5.00	F
EPH 2nd Follow Up	2.73	5.00	C
Community Centres	10.45	10.00	D
Stroke Care Grant	3.55	5.00	C
Performance Monitoring / Nis	9.96	10.00	F
BTS Follow Up	4.99	5.00	F
Cash Handling Establishments (F/up)	1.53	5.00	
Audits not commenced		25.00	
Total		83.35	120.00

Children & Learning

Section 17	0.95	0.00	F
Safer Recruitment (central)	7.93	0.00	F
Safer Recruitment (schools)	2.94	0.00	F
School Meals	1.95	0.00	F
Lealands High	0.17	3.00	
Follow up of Reviews	2.26	5.00	
Lettings	10.60	10.00	F
Schools Audit Work	14.57	10.00	
FMSIS & Combined Audit (Balance Only)	0.25	0.00	
TPA	23.35	25.00	F
Contact Point	1.61	15.00	C
E-Learning Centre	0.07	0.00	C
Ashcroft High	0.20	5.00	
Beech Hill Primary	4.55	5.00	F
Beechwood Primary	4.99	5.00	
Bramingham Primary	4.21	5.00	F
Bushmead Primary	4.99	5.00	F
Chantry Primary	4.25	5.00	
Cheyne Infant	0.03	5.00	
Icknield Primary	4.94	5.00	F
Leagrave Primary	4.89	5.00	F
Maidenhall Primary	4.45	5.00	
Norton Rd Primary	0.15	5.00	
Sacred Heart Primary	5.29	5.00	F
St Matthews Primary	4.63	5.00	F
Wigmore Primary	4.99	5.00	F
Challney Girls Re-Assessment	2.87	5.00	F
Lealands High Re-Assessment	0.07	5.00	
Music Service	8.92	10.00	F
Putteridge High School Follow Up	4.96	5.00	F
S52 Year end Balances	5.36	7.00	F
Safer Recruitment in Schools	4.72	5.00	
School Meals Follow Up	2.27	5.00	
Lealands Follow Up	3.79	5.00	F
Audits not commenced		62.00	

Total			152.17	247.00	
Environment & Regeneration					
Butterfield Management Contract	11.17	0.00			F
Follow Up Reviews	0.14	5.00			
Trusts	0.73	20.00			
EPP certification & year end review	0.27	15.00			
Luton Gateway Local Delivery Vehicle	7.01	10.00			C
Bus Operators Grants	2.43	5.00			C
Community Safety	0.14	10.00			
WTS - Contract Payments	14.98	15.00			F
Payment of Waste Management Invoices	9.80	10.00			F
WTS Review of Computerised Systems	0.96	5.00			
Licensing	1.18	10.00			
GAF 3 Certification	0.99	1.00			C
Audits not commenced		2.00			
Total			49.80	108.00	
Risk Management					
Corporate Risks	9.30	25.00			F
Departmental Risks	0.14	0.00			
Total			9.44	25.00	
Information Management					
Disaster Recovery Follow Up	3.01	3.00			F
On-line Payments Follow Up	0.27	3.00			D
Network Infrastructure	0.34	15.00			D
Information Governance	0.20	10.00			D
Audits not commenced	0.27	19.00			
Total			4.09	50.00	
Contract Audit					
Major Contracts	20.00	20.00			F
School Contracts	0.14	20.00			
Total			20.14	40.00	
Special Investigations					
Guru Nanak	5.19	5.00			F
Street Services Invoices	17.96	18.00			F
Special Investigations General	0.41	42.00			
Rent Allegation	6.97	7.00			F
WRG Invoices	2.88	3.00			F
Total			33.41	75.00	
Value for Money					
Internal Audit	8.01	10.00			
			8.01	10.00	
Consultancy and Advice					
Consultancy & Advice General	11.28	20.00			
Lex Steering Group	0.03	0.00			C
Departmental Equalities Group	0.17	2.00			

APPENDIX B

Officers & Members Expenses Follow Up	4.13	5.00			F
Car Lease Reimbursement	5.00	5.00			
Shelter at the Vale	3.03	3.00			F
Audits not commenced		10.00			
Total			23.64	45.00	
Active Luton					
Audits as required	22.16	48.00			
Total			22.16	48.00	
Planning and Reporting					
Audit Planning	9.06	15.00			
Audit Reporting	9.00	10.00			
Total			18.06	25.00	
London Luton Airport					
LLA Concession Fees	19.16	20.00			F
Total			19.16	20.00	
External Audit Assurance					
Benefits	1.08	0.00			F
Rents	7.37	0.00			F
Treasury Management	0.41	0.00			F
Total			8.86	0.00	
Corporate Assurance					
Annual Governance Statement	11.54	15.00			
NFI	31.87	40.00			
RIC Group	2.23	5.00			
Audits not commenced		10.00			
Total			45.64	70.00	
Cultural Trust					
Audits as required	39.21	40.00			
Total			39.21	40.00	
TOTAL DAYS			714.78	1,235	
Productivity			64%		

REPORTS ISSUED APRIL TO 19 NOVEMBER 2010

2009-10**Audit****Opinion****External Audit Assurance**

Bank Reconciliation (KC)	Adequate
Rents (KC)	Adequate
Treasury Management (KC)	Adequate
Benefits (KC)	Adequate

Chief Executives

LAA2 Assurance	Adequate
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Customer & Corporate Services

Trent Data Quality	Limited
Local Land Charges	Adequate
Phone Inventories	Limited

Housing & Community Living

Temporary Accommodation	Adequate
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Children & Learning

Section 17	Adequate
School Meals	Limited
Safer Recruitment (Schools)	Adequate
Safer Recruitment (Central)	Adequate

Environment & Regeneration

Butterfield Management Contract	Adequate
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Active Luton

Audits as required x 1	n/a
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Culture Trust

Audits as required x 2	n/a
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2010-11**Audit****Opinion****Chief Executive**

Partnership Monitoring Follow Up	Adequate
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Customer & Corporate Services

Call Centre Overflow Contract	Adequate
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Housing & Community Living

BTS Follow Up	Adequate
BTS - Procurement Arrangements	n/a
Disabled Facilities Grant	Substantial
Vocational Training Centre Follow Up	Substantial
EPH Follow Up	n/a
Stroke Care Grant	n/a
National Indicators NI 131	Adequate
National Indicators NI 131	Adequate

Children & Learning

Lettings	Adequate
Ashcroft High School Lettings	Adequate
Cardinal Newman High School Lettings	Adequate
Foxdell Junior Lettings	Adequate
Beech Hill Primary Lettings	Adequate
Icknield Primary Lettings	Adequate
Year end balances -section 52	Substantial
Lealands Follow up	Adequate
Putteridge High Follow up	Adequate
Beech Hill Primary AUDIT	Substantial
Beech Hill Primary FMSIS	Pass
Bramingham Primary AUDIT	Substantial
Bramingham Primary FMSIS	Pass
Bushmead Primary AUDIT	Adequate
Bushmead Primary FMSIS	Pass
Icknield Primary AUDIT	Substantial
Icknield Primary FMSIS	Pass
Leagrave Primary FMSIS	Pass
Sacred Heart Primary AUDIT	Adequate
Sacred Heart Primary FMSIS	Pass
St Matthews Primary AUDIT	Substantial
St Matthews Primary FMSIS	Pass
Wigmore Primary AUDIT	Adequate
Wigmore Primary FMSIS	Pass
Challney Girls Re-Assessment	Pass
TPA	Substantial
- Ashcroft High	Adequate
- Cheynes Infants	Substantial
- Crawley Green Infants	Substantial
- Icknield High	Substantial
- Lea Manor High	Substantial
- Lealands High	Substantial
- Stopsley High	Substantial
Music Service	Adequate

Environment & Regeneration

GAF 3 Certification	n/a
Luton Gateway Local Delivery Vehicle Grant	n/a
Bus Operators Grant	n/a
Bus Operators Grant Mid-Year	n/a
WTS Contract Payments	Adequate
Payment of Waste Management invoices	Adequate

Contract Audit

Major Contracts	Adequate
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Risk Management

Corporate Risks	Adequate
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Special Investigations

Dallow Sikh Temple	n/a
Street Services Invoices	n/a
Rent Allegation	n/a
WRG Invoices	n/a

Consultancy & Advice

Officers and Members Expenses Follow Up	Limited
Shelter at the Vale	n/a

London Luton Airport

Concession Fees	Adequate
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Active Luton

Audits as required x2	n/a
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Culture Trust

Audits as required x3	n/a
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