

Luton Borough Council 2011/12**Audit Committee - External audit progress report****14 March 2012****Audit Plan 2011/12**

We have prepared our overall Annual Audit Plan for 2011/12. This provides information on the overall framework for our audit and provides a starting point for the more detailed planning that is currently underway. This is included as a separate agenda item.

External Audit 2011/12

Our team has been on site in February plan to undertake our detailed accounts audit planning which we expect to complete in March. We will summarise the outcome of our detailed planning in an Annual Audit memorandum that to be presented to the next Audit Committee meeting. This includes a review of the work conducted by internal audit during the year. The main accounts audit will commence in July and we will present our findings at the September Audit Committee.

Value for Money - Financial Resilience

In addition to the accounts audit opinion, we are also required to present a conclusion on value for money. In 2011/12 this will be based primarily on a follow-up of our 2010/11 review of the Council's financial resilience, including a look at progress against savings plans. We expect this to be completed by June.

We have yet to finalise our other detailed VFM work, but are considering work on asset management, performance management and internal assurance and risk management.

Grants Certification 2011/12

We have concluded our work on Grants Certification and present our findings in our Annual Grants report. This is included as a separate agenda item.

Publications

We have followed up our recent publication 'Surviving the Storm – How Resilient are local authorities' with a new publication about the Annual Governance Statement, that may be of interest to members.

'High Pressure System – A Local Government Governance Review' is a comprehensive review of Governance as presented by Local Authorities in 2010/11. The report identifies some key strengths such as:

- over 90% of respondents said that their council had effective and embedded risk management arrangements.
- 89% of those surveyed said that officers and members were clear on respective roles and responsibilities when the council works in partnership.
- 92% of senior officers and members said that their council had put in place effective additional Bribery Act and anti-fraud controls to manage increasing fraud.

However our review identified scope for improvement in areas such as:

- the annual review of governance is often seen as a 'tick the box' exercise rather than a genuine effort to achieve best practice.
- the membership and focus for Audit and Scrutiny committees will be key to their future effectiveness as the agenda becomes more challenging.
- Very few councils are achieving more than basic compliance with their explanatory forewords, suggesting that they should be fundamentally reviewed from a user perspective.

Audit Fees 2011/12

The Audit Commission is currently consulting on its work programme and scale of fees for 2012/13. This consultation document is publically available on their website:

<http://www.audit-commission.gov.uk/SiteCollectionDocuments/Downloads/2012-13proposed-sof-lg-cs.pdf>

For 2012/13, the Commission proposes reducing audit fees for audited bodies by 10 per cent from the published 2011/12 scale fees, reflecting the Commission's continued reduction in costs.

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March 2012