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| <b>DECISION-MAKER:</b>              | AUDIT COMMITTEE                          |
| <b>SUBJECT:</b>                     | AUDIT COMMISSION: AUDIT COMMITTEE UPDATE |
| <b>DATE OF DECISION:</b>            | 23 APRIL 2012                            |
| <b>REPORT OF:</b>                   | CHIEF INTERNAL AUDITOR                   |
| <b>STATEMENT OF CONFIDENTIALITY</b> |  |
| Not Applicable                      |  |

### **BRIEF SUMMARY**

The purpose of this paper is to provide the Audit Committee with reports on the:

- i. Certification of Claims and Returns – Annual Report 2010/11; and
- ii. progress in delivering the external auditors responsibilities (includes an update on the externalisation of the Audit Practice).

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and are required to complete returns providing financial information to government departments.

The 'Certification of claims and returns – annual report 2010/11' summarises the findings from the Audit Commission's certification of 2010/11 claims. It includes the messages arising from their assessment of the Council's arrangements for preparing claims and returns and information on claims that were amended or qualified.

The progress report highlights the key emerging national issues and developments which may be of interest to members of the Audit Committee. The paper concludes by asking a number of questions which the Committee may wish to consider in order to assess whether it has received sufficient assurance on emerging issues.

The table attached as appendix 1, summarises the external auditors progress against the outputs specified in the plan.

### **RECOMMENDATIONS:**

- (i) That the Audit Committee notes the Audit Commission's reports as attached.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. The Audit Committee's Terms of Reference require it to be satisfied and provide assurance to the Standards and Governance Committee that appropriate action is being taken on risk and internal control related issues identified by the external auditors. Specifically, the Committee has responsibility for oversight of the reports of external audit.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

2. None.

**DETAIL (Including consultation carried out)**

3. The following Audit Commission reports are attached for consideration in the appendix:

- Certification of Claims and Returns – Annual Report 2010/11
- Audit Committee Update – April 2012

The external auditor will be in attendance at the Committee meeting to answer any questions

The reports, as attached, have been discussed and agreed with the appropriate officers.

**RESOURCE IMPLICATIONS**

**Capital/Revenue**

4. None.

**Property/Other**

5. None.

**LEGAL IMPLICATIONS**

**Statutory power to undertake proposals in the report:**

6. The Accounts and Audit (England) Regulations 2011 require the Council to 'undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control'.

**Other Legal Implications:**

7. None.

**POLICY FRAMEWORK IMPLICATIONS**

8. None.

|                |         |                                |      |               |
|----------------|---------|--------------------------------|------|---------------|
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**KEY DECISION?** Yes/No    No

|                                    |  |
|------------------------------------|--|
| <b>WARDS/COMMUNITIES AFFECTED:</b> |  |
|------------------------------------|--|

## SUPPORTING DOCUMENTATION

### Appendices

|    |   |
|----|---|
| 1. | Audit Commission: Certification of Claims and Returns – Annual Report 2010/11 |
| 2. | Audit Commission: Audit Committee Update – April 2012                         |

### Documents In Members' Rooms

|    |      |
|----|------|
| 1. | None |
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### Integrated Impact Assessment

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| Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out. | No |
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### Other Background Documents

**Integrated Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

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| 1. | None |  |
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