

Audit Progress Report

Shropshire County Council

Audit 2008/09

Date

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The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Introduction

- 1 This report provides the Audit Committee with a summary of progress made on the 2008/09 audit. It also provides information on the planning for the 2009/10 audit year.

Assumptions

- 2 Our fee was calculated based on the assumption that the Council's internal control would remain good, Internal Audit would remain effective and that final accounts working papers would again be produced to a high standard. Nothing has been brought to our attention to change our assumptions. Therefore no amendment to the fee is required at this stage.

Progress

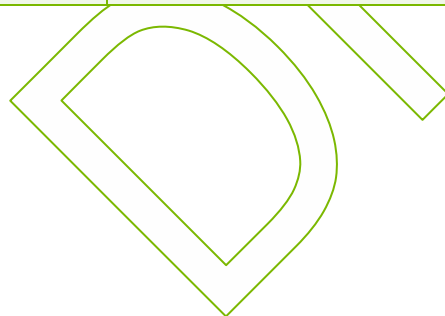
- 3 Since the last progress report presented to the Audit Committee in May 2009, we have
 - Completed the audit of the financial statements of the Shropshire County Council, Shropshire Pension Fund and Shropshire Waste Partnership. The audit opinions were issued by 30th September, 2009.
 - Presented the Annual Governance Report for the SCC, SPF and SWP to Audit Committee in September 2009, along with the Annual Governance Reports for the five demising District/Borough Councils.
 - Housing Benefit Grant preparation: we have undertaken a review the implementation of the Council's migration project and identify potential impediments to the completion of an accurate 2008/09 Housing Benefit claims and the completion of accurate data migration from the five legacy systems to the new Northgate system. The report was presented to the Audit Committee in July 2009. Follow up work is proposed as part of the 2009/10 audit work.
 - Completed the audit of all SCC grant claims. Currently the audit of the Housing Benefit claims for the demising councils is in progress.
 - Continued our regular meetings with the Director of Resources relating to Unitary status progress and other audit related issues.

Appendix 1 – Audit work against the agreed plan

Audit Work	Comments	Outcome
Interim audit work	Key to our work on the financial statements is the knowledge that the key financial systems are free from weakness and produce financial statements which are free from material mis-statement. We are currently undertaking our review of the key systems. We have agreed with IA a programme of work that will be undertaken by them on which we can place reliance to support our work.	We have completed our interim audit work on the key financial systems, taking into account the work undertaken by IA. We have concluded that the controls operating within the financial systems are free from weakness and give assurance that the financial statements will be free from material mis-statement.
Financial statement audit	The audit of the financial statements will be undertaken during July. We have reviewed the Director of Resource's closedown timetable and will agree with her, dates to undertake the audit work.	The audit of the financial statements of SCC, SCPF and SWP have been completed and the audit opinions given.

Introduction

Internal Audit	<p>We have liaised closely with Internal Audit during the year to ensure that the work required to support our opinion is undertaken in the most efficient way.</p> <p>We are also liaising with IA as to work required during the run up to Unitary status.</p>	<p>We have agreed with IA, work to be undertaken for the audit year 2008/09. We have reviewed their completed work to place reliance on that work and to avoid duplication.</p>
Use of Resources	<p>We will assess the Authority's performance in the areas of:</p> <ul style="list-style-type: none"> • managing finances: sound and strategic financial management; • governing the business: strategic commissioning and good governance; and • managing resources: effective management of natural resources, assets and people. <p>The audit work will be undertaken during the period May to August 2009.</p>	



Whole of Government Accounts (WGA)	We are required to audit the consolidation pack required by the government in order to produce consolidated accounts for the whole public service. This work is programmed to be undertaken in August/September 2009.	The WGA Consolidated Pack has been audited and submitted by the required deadline.
Waste Partnership Accounts.	The accounts for the SWP will be produced and audited at the same time as the SCC financial statements. Our Technical Manager (Julie Murray) will continue to liaise with the Director of Resources on accounting issues.	Accounts have been audited and opinion given.
Local Government Pension Fund	The audit of the pension fund is a separate audit engagement for 2008-09. We will be undertaking the planning and interim work required for the pension fund alongside the CC audit. The audit of the final accounts will take place in June 2009.	Accounts have been audited and opinion given.
Local Government Reorganisation	We have had regular meetings with officers to review the progress the Authority has made in progressing the Unitary process. We will also undertake any additional work to provide ourselves with the necessary assurance.	The move from the two ties system to Unitary Authority went smoothly. Our audit work did not identify any areas of concern.

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