

Torbay Council

Reports issued by the Audit Commission since last meeting

- Audit planning fee letter 2010/11 – Our letter was revised 7 July 2010 to exclude inspection following the government announcement of the abolition of CAA and Use of Resources – attached
- Letter to audited bodies dated 9 August 2010 about the change in approach to Value for Money Work and the impact upon fees - attached
- Letter to audited bodies dated 19 August 2010 confirming no immediate change to audit arrangements following the Government's announcement of its plans to introduce legislation to abolish the Audit Commission - attached

Work completed

- Interim audit report 2009/10 – Report with agreed action plan - to follow

Work largely completed

- Audit of the 2009/10 financial statements – Our Annual Governance Report outlining our proposed opinion, significant issues arising from the audit, and our proposed value for money conclusion - to follow

Work in progress

- Liaison with finance about preparations for implementation of International Financial Reporting Standards
- Audit of grant claims.

Audit Commission events and national reports

- 14 August - Communities and Local Government Secretary Eric Pickles announced his intention to disband the Audit Commission with effect from 2012/13. 'A new decentralised audit regime will be established, replacing the Audit Commission and providing genuine support for local democratic accountability.'
- 9 August – The AC announced that from 2010/11 it will introduce new requirements for local value for money (VFM) audit work at those bodies where auditors previously were required to give a use of resources assessment. The statutory VFM conclusion will be based on only two reporting criteria specified by the Commission:
 - Securing financial resilience – focusing on whether the audited body is managing its financial risks to secure a stable financial position for the foreseeable future; and
 - Challenging how it secures economy, efficiency and effectiveness – focusing on whether the audited body is prioritising its resources within tighter budgets and improving productivity and efficiency.
- 29 July – The AC published *Local Government Pensions in England* which examined the scheme's long-term affordability. The report concluded that although it is backed by local funds, recently investments have failed to deliver the anticipated returns, and that funds currently cover only about three-quarters of the scheme's future liabilities. The report recommends actions that could be taken to put the scheme on a better financial footing.

- 29 July – *Local Government Claims and Returns: The Audit Commission's Report on Certification Work 2008/09* was published. It states that in 2008/09 AC auditors certified claims and returns from local authorities for schemes covering £45.6 billion of public money and concludes that the level of amendments and the number of qualification letters issued shows that some authorities can improve their preparation of claims and returns. Authorities should review their practices and take action to improve these where necessary.
- 15 July and 23 June- The AC's latest International Financial Reporting Standards (IFRS) briefing papers - *Accounting for Employee Benefits* and *Re-stating Non-Current Assets* - were published, looking at the practical issues which authorities may face.
- 7 July – The AC published *Against the Odds* looking at the financial, personal and social cost of teenagers who are so-called NEET - not in education, employment or training. Since 1990 a yearly government survey has indicated that between 9 and 10 per cent of 16 to 18 year olds is without a wage, schooling or training. The Commission's study recommends a new approach which can make scarce resources work harder for those at greatest risk.
- 23 June – The AC published its *National Reports Back Catalogue 2009/10* which runs from January 2009 to date and contains a brief summary of each report.
- 3 June – Two AC Children's Trust resource packs were made available - *Improving Children's Trusts* – which builds upon the previously published self assessment tool and is designed to be used at board, executive or sub-group level, and an online self-evaluation tool to help children's trusts to improve value for money in the provision made for children and young people with special educational needs and disabilities (SEND) and additional educational needs (AEN).

The documents referred to above are available from the Audit Commission website: www.audit-commission.gov.uk

Steve Brown,
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3 September 2010