

Progress report

Wirral Council November 2011

Audit 2011/12

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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Key messages

1 This report provides members with an update of our ongoing work at the Council and informs you of the risks arising from the audit, under International Standard on Auditing (United Kingdom and Ireland) 300. The key messages to draw to members' attention are as follows.

The Audit Commission

2 The Audit Commission's Chief Executive, Eugene Sullivan, wrote to clients on 21 September 2011 summarising the Department for Communities and Local Government's plans for externalising the Audit Commission's work that is currently undertaken by the Audit Practice.

Fees

- The Audit Commission has now confirmed the programme of work and scale of fees for local government for 2011/12.

Opinion on the statement of accounts

- The outcome of the Wirral's opinion audit was reported in our Annual Governance Report 2010/11. Our work for 2011/12 is in progress.
- The Merseyside Pension Fund 2010/11 audit was reported in a separate Annual Governance Report. We will commence our work for 2011/12 in the new year.

Value for money conclusion

- Our 2010/11 value for money work was reported in our Annual Governance Report.
- Our 2011/12 work is in progress.

Public Interest Disclosure Act (PIDA) work

- Work on the PIDA in respect of the Directorate for Adult Social Services (DASS) continues
- We have been following up the PIDA in respect of the Highways and Engineering Services Procurement Exercise (HESPE) and our report is included on the agenda for this meeting.

National Fraud Initiative (NFI)

- The 2010/11 matches were release by the Audit Commission in January 2011 and the current figure for recovery stands at £187k.
- To date the matches have generated identification of 7 frauds and 180 errors.

Grant claims and returns

- Our grants work for 2010/11 is in progress.

Annual Audit Letter

- Our 2009/10 Annual Audit Letter, summarising the key issues for the year, was presented to Cabinet and the Audit and Risk Management Committee in January 2011.
- Our 2010/11 Annual Audit Letter will be presented to members in January 2012.

Audit team and key contacts

- We have brought two potential conflicts to members' attention.

Members' resources

- Members' resources have been updated with the latest reports published by the Audit Commission. We have also provided a full list of International Financial Reporting Standards (IFRS) reports and briefings for management and members.

Audit plan

Audit Commission

3 The Department for Communities and Local Government (DCLG) announced in August 2010 plans to abolish the Audit Commission and put in place new arrangements for auditing England's local public bodies. DCLG stated its intention to transfer the Commission's existing in-house Audit Practice to the private sector from 2012/13 and in due course abolish the residual elements of the Commission. The new regime will see the end of the Commission's responsibilities for overseeing and commissioning local audit and its other statutory functions, including those relating to studies into financial management and value for money.

4 The Audit Commission is running a procurement process to award the contracts to the private sector. All key decisions relating to the award are being taken by the Commission Board. The Board has appointed a Procurement Panel, a sub-committee of the Board, comprising Board members with a range of skills and experience of the different sectors, to oversee the procurement in more detail, and to make recommendations to the Board as to the award of contracts following the evaluation. This Procurement Panel includes an independent member, Mike More, the Chief Executive of Westminster City Council.

5 The outsourcing strategy is based on 10 contract lots covering local government, NHS, police and other local public bodies – over 650 in total – in different parts of the country. The bids for each lot will be assessed on the qualitative and financial criteria set out in the ITT. Those are the only factors that will determine a contract award.

6 As the Commission has determined that TUPE applies to the outsourcing process, the majority of the Commission's Audit Practice staff will transfer to the successful bidders in each area at the end of October 2012.

7 The contracts will be awarded initially in either a three or five year basis. The decision whether to award contracts for three or five years is about value for money, but is also linked to the government's timetable for the introduction of, and transition to, new local public audit arrangements, and for the disbandment of the Commission. The government has indicated that it wants to talk to the different sectors about the trade-off between the value for money of awarding three or five year contracts and the benefits of the proposed new public audit arrangements, once there is a better sense of the difference that the outcome of the procurement makes to audit fees from 2012/13.

- 8** The Commission has a statutory duty to consult local government audited bodies on the appointment of the auditor. Consultation with all audited bodies on appointments from 2012/13 onwards will take place after the contracts have been awarded. The Audit Commission has allocated sufficient time within the process to allow for meaningful consultation.
- 9** Where a body is currently audited by the Commission's Audit Practice, the Audit Commission will propose the winning firm in each contract area as the appointed auditor, unless there are good reasons that prevent this. The contract strategy ensures the Commission will have the option of appointing a different firm to an audited body should this be necessary.
- 10** The Audit Commission plans to set out early in the new year how they will go about the consultation process and specify the grounds on which they will consider representations from audited bodies about proposed auditor appointments.
- 11** The new auditor appointments for 2012/13 will take effect from 1 September 2012. The Audit Commission is putting arrangements in place to ensure a smooth handover to the incoming auditor.
- 12** The table below provides the key milestones currently planned for the procurement of principal bodies. This is intended as a guide and while the Commission does not intend to depart from the timetable it reserves the right to do so at any stage.

Table 1: Timetable for outsourcing

The outcome of the outsourcing will be known in the Spring and the Commission will consult with Audited Bodies in April 2012

Key milestone	Date	Progress
Issue Contract Notices in the Official Journal of the European Union	5 September 2011	Completed to plan
Issue pre-qualification questionnaires (PQQ) on request	From 5 September 2011	Completed to plan
Deadline for return of PQQs	7 October 2011	Completed to plan
Issue invitations to tender and anonymised TUPE information to selected suppliers	w/c 24 October 2011	Completed to plan
Deadline for submission of tenders	16 December 2011	<i>Date o/s</i>
Approval of contract awards	w/c 20 February 2012	<i>Date o/s</i>
Consultation with audited bodies on appointments	23 April - 13 July 2012	<i>Date o/s</i>
Approval of auditor appointments	w/c 23 July	<i>Date o/s</i>

Key milestone	Date	Progress
	2012	
Appointments for 2012/13 commence	1 September 2012	<i>Date o/s</i>
Staff transfer to firms awarded contracts	31 October 2012	<i>Date o/s</i>

Source: Audit Commission @ November 2011

13 We have discussed developments with chief officers and have reaffirmed the Commission's, and our own, commitment to delivering a high quality and effective audit service right through to the date the transfer to new arrangements takes place. We will continue to keep you up to date on developments.

2010/11 plan

14 The letters with the proposed fees for 2010/11 for audit and assessment were agreed with officers in April 2010 and were presented to members on 30 June 2010. Alongside the audit fees letter we presented the Work programme and scales of fees 2010/11, the new Code of Audit Practice 2010 and the Statement of Responsibilities of Auditors and Audited bodies.

15 The impact of the latest Audit Commission proposals on fees on Wirral Council for 2010/11 is summarised in the table below:

Table 2: **Work programme and fees 2010/11**

This represents the latest position on proposed fees for 2010/11. The scale fee for the 2010/11 audit is £363,000.

Work programme	Original fee £	Rebate/ reduction £	Latest fee proposal
Financial statements	257,612	21,904	235,708
Whole of government accounts	7,466	-	7,466
Value for money	126,922	12,705	114,217
Total audit	392,000	34,609	357,391
Managing performance	16,630	16,630	0
Economic development	32,523	32,523	0
Total inspection	49,153	49,153	0

Work programme	Original fee £	Rebate/ reduction £	Latest fee proposal
Certification of claims and returns	128,000	-	128,000
National Fraud Initiative *	2,000	-	2,000
Total work programme	571,153	83,762	487,391

Source: Audit Commission, December 2010

Note: The Audit Commission is sending rebates directly to audited bodies to avoid confusion with the annual audit fee - the figures for rebates in this table are estimates.

* NFI is £4,000 every 2 years.

Audit fee

16 The total indicative fee for the audit for 2010/11 is £392,000 (excluding VAT), a 0.5 per cent increase on the fee of £390,000 for 2009/10. This was less than the Audit Commission's anticipated 6 per cent increase for 2010/11 for the first year of International Financial Reporting Standards (IFRS) and is in line with our commitment to reduce the 2010/11 fee as noted at meetings with officers and members.

17 Members should also note that the Commission has confirmed that it would subsidise the 'one-off' element of the cost of transition to International Financial Reporting Standards (IFRS) for local authorities from 2010/11. You will have received a refund from the Audit Commission of £21,904 which brings the fee charged for 2010/11 to £370,096.

18 The letter sent by the Audit Commission to the Council made it clear that we will continue to deliver the audit in line with the statutory Code of Audit Practice under which we are required to give a value for money conclusion alongside the opinion on the financial statements. The impact of stopping Comprehensive Area Assessment (CAA), including the cost of making several hundred staff redundant, has limited the level of rebates the Commission can afford to give bodies in 2010/11. However, the Commission now proposes to rebate 3.5 per cent for single-tier councils in respect of the new approach for value for money. The rebate will be sent out shortly and brings the audit fee down to **£357,391**.

19 These reductions, and the earlier rebate for the additional audit costs from the transition to International Financial Reporting Standards (IFRS), mean that Wirral's audit fee for 2010/11 is around 1 per cent less when compared to the scale fee and 9 per cent less when compared to the original fee. We will discuss with the Director of Finance the impact on fees of the difficulties encountered during the audit.

Grant claims and returns fee

20 The planned fee for grant claims and returns is £128,000.

Assessment and inspection fee

21 The fee letter agreed with officers in April showed the total indicative fee for inspection as £49,153. The Commission now proposes not to charge inspection fees for work already carried out in this financial year on the managing performance part of the organisational effectiveness assessment. This is because there was no value to the work once CAA ended.

National Fraud Initiative (NFI) 2010/11

22 We presented the work programme and scale of fees for NFI 2010/11 to members on 30 June 2010. The rate for metropolitan borough councils remains at the 2008/09 rate of £4k. The NFI is run over a two-year period, so the scale of fees covers the two financial years 2010/11 and 2011/12. We will bill for these fees in two equal annual instalments.

2011/12 plan

Audit fee

23 The [Work programme and scales of fees 2011/12](#) document was published on 25 February 2011 and confirms significant reductions in audit fees, reflecting both the new approach to local value for money (VFM) audit work and a reduction in the ongoing audit costs arising from the introduction of International Financial Reporting Standards. The [scale fee for each audited local government, housing and community safety body](#) are also available.

24 The proposed 2011/12 scale fee for Wirral is £352,800. We have assessed the fee for Wirral Council for 2011/12 and have agreed with the Director of Finance that it will be at the scale fee of £352,800.

25 The Commission is consulting on a reduction of 10 per cent from the published 2011/12 scale fees for principal bodies. This continues its programme, begun before the announcement in August 2010 of the abolition of the Commission, to deliver cost cuts of £70 million (30 per cent) over a three-year period.

NFI 2011/12

26 As noted above, the NFI fee is £4,000 over two years and so the Council will be billed £2,000 in 2011/12.

Opinion

Wirral Council

2010/11

27 The District Auditor was required to issue an audit report by 30 September 2011 giving his opinion on whether the Council's accounts gave a true and fair view of the financial position of the Authority as at 31 March 2011. Our Opinion Plan was presented to members of this Committee in January 2011 and set out in more detail the audit work we proposed to carry out in relation to the audit of the financial statements 2010/11 for Wirral Council, including the audit of the Whole of Government Accounts.

28 There was a separate Opinion plan in respect of Merseyside Pension Fund's financial statements which was also presented to members of this Committee in January 2011. The Pension Fund is summarised in a separate section below and reported in the Annual Governance Report which was presented at the Pensions Committee and the Audit and Risk Management Committee in September 2011.

29 The opinion deadline of 30 September 2011 was met, and an unqualified opinion on the financial statement was issued.

30 The main issues arising from the audit were:

- The accounts approved by the Director of Finance and presented for audit contained a material error of £64.8m on the cash flow statement and a number of other errors, indicating limited quality assurance.
- There were a significant number of errors in the IFRS restatement exercise and a number of versions were presented for audit.
- The deadline for approval of the accounts by the Director of Finance was not met. Working papers were not presented for audit to the deadline and some were not to standard.
- Non-current assets remain a major weakness in internal control and resulted in a significant number of the errors in the statements.

31 Amendments made as a result of the audit did not change the overall general fund balance.

2011/12

32 We will agree our 2011/12 audit plan with officers in December 2011. We will present this plan to members in January 2012 at the Audit and Risk Management Committee.

Chief Accountants' workshops

33 The Audit Commission runs workshops every year for chief accountants to ensure that consistent messages about technical issues are shared with audited bodies. Key finance officers attended the workshop at Warrington on 1 February 2011.

34 The Audit Commission will run further workshops in 2012.

Merseyside Pension Fund

2010/11

35 The 2010/11 audit plan was presented to the Pensions Committee and the Audit and Risk Management Committee in January 2011. It confirmed the proposed fee of £54,065 for 2010/11.

36 The plan included areas of risk to our audit opinion. The plan also set out the timetable for delivery of the 2010/11 audit. Our findings and conclusions in respect of the risks in our plan were set out in the Pension Fund Annual Governance Report.

37 The audit was completed by the deadline of 30 September, and an unqualified opinion on the statements was issued.

38 We found two material errors in the statements presented to audit which were amended by the Pension Fund. We also reported a number of other errors in our Annual Governance Report and later supplement presented to this Committee.

39 We are also required to issue a separate opinion on the Pension Funds Annual Report. This opinion was modified to reflect that the Pension Funds Governance Statement was excluded from the report.

2011/12

40 The proposed fee for 2011/12 has been agreed with the Director of Finance at £60,966.

41 We will agree our 2011/12 audit plan with officers in December 2011. We will present this plan to members in January 2012 at the Audit and Risk Management Committee.

Value for money conclusion

42 The District Auditor is required to give a statutory value for money (VFM) conclusion on whether the Council has satisfactory arrangements to secure economy, efficiency and effectiveness in its use of resources.

2010/11

43 The VFM conclusion for 2010/11 was based on a reduced number reporting criteria, specified by the Commission, concentrating on:

- securing financial resilience; and
- prioritising resources within tighter budgets.

44 Our assessment concluded that there are weaknesses in Wirral Councils arrangements to secure value for money in its use of resources.

45 The District Auditor issue a qualified opinion that drew attention to weaknesses identified in the arrangements for securing value for money in respect of the HESPE contract and other governance and internal control issues arising from whistleblowing issues and from the recording and control of assets.

46 The opinion did, however, conclude that with the exception of these matters, the District Auditor was satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2011.

47 Our value for money conclusion was reported in our Annual Governance Report.

2011/12

48 Our work on the 2011/12 VFM conclusion is in progress.

PIDA work

49 Work on two PIDA disclosures in respect of adult social services and the Highways and Engineering Services Procurement Exercise (HESPE) continues.

Adult social services

50 We are continuing to monitor the Council's progress in responding to our 2007/08 report: Adult Social Services - Follow up of PIDA Disclosure which was considered by the Audit and Risk Management Committee in September 2008. A key issue was in respect of the charging policy applied at three supported living units.

51 The previous administration commissioned an independent investigation into the whistleblower's allegations of bullying and harassment and this has now been reported to Cabinet.

52 The previous Leader of the Council also commissioned an independent review to confirm that all issues raised by the whistleblower have been appropriately dealt with. We understand that the fieldwork is now complete and will be reported to members shortly. In advance of this, the independent reviewer has reported the Corporate Governance report to Council.

Procurement of highways and engineering services

53 During 2008/09 we received a PIDA disclosure in respect of the process for awarding the Highways and Engineering Services Procurement Exercise (HESPE) contract. The report was presented to members at the Audit Committee and Risk Management Committee on 28 September 2010. We agreed that we would continue to monitor the Council's response to the recommendations in the action plan.

54 Our follow-up work on the action plan and review of the Council's information on the benefits realisation process is underway and will be reported to members in November 2011.

National Fraud Initiative

55 The National Fraud Initiative (NFI) is the UK-wide anti-fraud programme developed by the Audit Commission. A data matching exercise is carried out every two years comparing information held by and between around 1,300 organisations including councils, the police, hospitals and nearly 100 private companies. This helps to identify potentially fraudulent claims, errors and overpayments. Where matches are identified these are presented to the organisations to investigate. For example, when data matching shows a person listed as deceased and also in receipt of a pension, the Council will investigate and, if appropriate, stop pension payments. The Audit Commission fee to the Council is £4k over two years for this exercise.

56 Internal audit co-ordinates the follow-up of matches, which is undertaken by the responsible department. Matches are reviewed on an ongoing basis and the figures below reflect the position at November 2011.

NFI 2010/11 - 2011/12

57 The Council provided the required information to participate in the exercise and data matches were provided by the Audit Commission at the end of January 2011.

Table 3: **Fraud and error identified from the 24,052 NFI 2010 matches**

Fraud and error	March 2011	November 2011
Total matches processed	1,472 cases	3,722 cases
Frauds identified	0 frauds	7 frauds
Errors identified	34 errors	180 errors
Value of frauds and errors	£32k	£203k
Recovering*	£29k	£187k
Still progressing	21,445	20,330

Source: Audit Commission NFI 17 November March 2011

* The Council is in the process of recovering this amount and has stopped future payments where applicable

58 The national report on NFI 2008/09 was published in May 2010 and is available at [Audit Commission website -NFI 2008/09](#).

Grant claims and returns

2009/10

59 The 2009/10 grant claims and returns report was presented to this meeting of the Audit and Risk Management Committee.

60 The grants claim programme was successfully completed in 2009/10. All claims were submitted on time, a significant improvement compared to previous years and all claims were also certified on time. Coordination arrangements worked well; there was a slight improvement in the control environment and a reduction in the number of claims requiring amendment and qualification. The amendments resulted in an increase of funding due to the Council of £33,793.

2010/11

61 The 2010/11 programme is underway and comprises the following claims.

- Housing and Council Tax Benefits Scheme.
- National non-domestic rates grant.
- Teachers' pensions return.
- Disabled facilities grant.
- Single programme grants.
- General Sure Start grant.

62 We will report to members the outcome of our 2010/11 certification work in January 2012.

Annual Audit Letter

2009/10 - key findings

63 The 2009/10 Annual Audit Letter was presented to the January 2011 meeting of the Audit and Risk Management Committee. It was also considered by Cabinet in January 2011.

64 The key issues were:

- unqualified opinion on Wirral Council's 2009/10 financial statements given by the statutory deadline
- unqualified opinion on Merseyside Pension Fund's 2009/10 financial statements by the statutory deadline
- unqualified opinion on the Whole of Government Accounts consolidation pack on 1 October 2010
- unqualified value for money conclusion confirming that the Council has satisfactory arrangements to secure economy, efficiency and effectiveness in its use of resources
- our actual fees (£390,000) were in line with our proposed fees as agreed with the Audit and Risk Management Committee at its meeting in June 2009.
- we charged an additional £20,000 for work carried out to deal with an issue under the Public Interest Disclosure Act (PIDA) in relation to the Highways and Engineering Services Procurement Exercise (HESPE).
- we highlighted the current and future challenges for the Council and the corporate and service pressures that will make the achievement of savings challenging including:
 - Delivery of savings from the change programme.
 - Prioritisation of the outcomes from the consultation process and consideration of the options put forward by the Task Forces into a cohesive budget strategy.
 - Maintaining service quality and capacity following the severance and early voluntary retirement exercise.
 - Responding to the improvement agenda, highlighted by the Care Quality Commission, in adult social services whilst keeping within the budget and implementing personal social care budgets.
 - Responding to potentially reduced future government funding as a result of the reduced population figures for Wirral.

The audit team and key contacts

65 The key members of the audit team for the 2010/11 Council and Pension fund audits were set out in our Audit Plans which were presented to the January meeting of the Audit and Risk Management Committee. There is currently no change to either of the teams.

66 I can confirm that the audit of both the Council and the Pension Fund are being carried out in accordance with the Audit Commission's policies on integrity, objectivity and independence. We have reported two potential conflicts in our Annual Governance Report.

Members' resources

Audit Commission information for members

67 The local government national studies programme aims to improve local public services through its independent authoritative analysis of national evidence and local practice. Information on the programme is on the Audit Commission's website at [national studies programme](#).

Advisory Services

68 Our Advisory Services are able to support clients under paragraph 9 of Schedule 2A of the Audit Commission Act 1998 to provide 'advice and assistance' (A&A) to another public body. We have developed a number of briefings and tools to support councils with their efficiency agenda, get better value from partnerships and improve performance. Please contact the District Auditor or Audit Manager if you would like to know more about these improvement tools.

Upcoming reports

69 The following are the studies that the Audit Commission is currently proposing:

- Local government workforce: What are the most effective means for councils to achieve savings from the pay bill while protecting the quality of services? This study will explore how councils can do this, including how they address working patterns, staffing tiers and numbers, rates of pay, and reward packages. It will identify barriers to achieving savings and their solutions as well as highlight innovative approaches to configuring workforces in response to financial cutbacks.
- Managing with less (Spring 2011): This research project aims to help councils respond to the challenges of public spending reductions. It examines the approaches taken by local councils in responding to the need to make savings and to managing with less, and at how and why decisions are made. There will be a particular focus on the data and information used; the involvement of members and partners; and the balance between short, medium and longer term planning.
- Review and challenge in councils (Spring 2011): Councils need to have effective means for reviewing and challenging their major activities, priorities and risks. This project will research how this can be done effectively and efficiently. Research will identify the principles that best underpin review and challenge in councils. These principles will provide the basis for a series of questions to help those responsible for council governance assess their review and challenge arrangements.

Published reports

Latest releases



Protecting the public purse 2011

- The report released on 10 November 2011 describes what has happened since 2010 and sets out the findings from the recent fraud survey. England's councils have succeeded in detecting £185 million worth of fraud, an improvement of 37 per cent on last year's figure of £135 million. This is equivalent to a year's funding for around 700 libraries or the wages of up to 11,000 care workers. Also, councils recovered nearly 1,800 homes from tenancy fraudsters. To build those homes from new would have cost the public purse over £265 million. It identifies emerging risks such as fraudulent student council tax discount claims and fraud against social care payments to the elderly and vulnerable. The report urges local councils and related bodies to focus on and tackle them, and improve their counter-fraud defences. There is an updated checklist in the report, giving organisations opportunity to consider how effective they are at responding to the risk of fraud.



Tough Times

- Tough times (17 November 2011) is a new report looking at councils' responses to a challenging financial climate. The report contains new Audit Commission analysis of revenue account (RA) data provided by councils to the Department for Communities and Local Government (DCLG). It also summarises the findings of a survey of all local government auditors which gathered their emerging views on the impact of falls in government support and councils' responses as they prepared their plans for 2011/12. The report looks at the impact on councils of:
 - a real terms reduction of £3.5 billion in government funding; and
 - a £1.2 billion fall in local income from council tax and fees and charges.The report recommends that councils use the Audit Commission's [Value for Money profiles](#) to see how their council compares to the national picture set out in this report, identify councils facing similar challenges, and learn from others' approaches.



- **Improving value for money in adult social services**, 2 June 2011. This briefing is the first in a series of briefings that will look at value for money in health and social care and considers what councils might do to provide better, more efficient services. It finds that, as demographic change and financial pressures combine to create tough times for adult social care, councils have looked at many aspects of the service in order to provide better, more efficient services. Better procurement, improved back office arrangements, and a preference for community-based rather than residential care where possible, are just some of the changes that local authorities have implemented to help them meet the challenges they face. But the briefing also finds that the pace and scale of change need to increase if councils want to release material savings, as well as improve care for people.



- **Going the distance - Achieving better value for money in road maintenance**, 26 May 2011. This national report looks at what councils can do to get more for their money in road maintenance, in the face of increasing traffic, severe winters, higher costs, and dwindling highways funding. The report highlights how councils can get more for their money, including cost-saving collaborations with neighbours, asset management to show when road maintenance will be most effective, new ways of keeping residents informed, and weighing short-term repairs against long-term resilience. It includes a series of case studies which demonstrate how some councils have developed strategies that balance growing service demands with reducing resources.



- **Better value for money in schools**, 31 March 2011. These four briefings are designed to help schools make the best use of their workforce - whether teachers, teaching assistants, or administration and finance staff - at a time when they have to find savings. They aim to help school heads, governing bodies and councils control costs without compromising educational attainment. In addition, the Commission published a summary paper, An overview of school workforce spending, which is targeted at chairs of governing bodies and lead members on children's services.



- **Auditing the accounts 2009/10: Quality and timeliness of local public bodies' financial reporting**, 16 December 2010. A summary of the quality and timeliness of financial reporting by councils, police authorities, fire and rescue authorities and local government bodies.



- **2011/12 Proposed work programme and scale of fees**; published 10 December 2010. We are consulting on our proposed work programme and scales of fees for 2011/12.



- **Against the odds - Re-engaging young people in education, employment or training**; published 3 November 2010. Since the release of the report on 7 July 2010, we have produced a series of maps detailing changes in the proportion and numbers of young people not in employment education and training (NEET)



- **Financial management of personal budgets**; Challenges and opportunities for councils. Published 28 October 2010. This report examines personal budgets in adult social care and considers the financial management and governance implications for councils. It reviews the approaches to transition from providing services to providing personal budgets, the choices for allocating money, and how councils can plan for the financial implications. It also considers changes in social care commissioning and the governance arrangements needed for personal budgets. It is aimed at finance staff and staff in adult social care departments interested in personal budgets. The report includes a self-assessment checklist to help councils review progress in implementing personal budgets and identify areas for improvement.



- **Protecting the public purse**; Fighting fraud against local government and local taxpayers. Published 27 October 2010. we describe what has happened in the field of fraud detection and

prevention since 2009 and set out the findings from our recent fraud survey. Last year England's councils detected around £99 million worth of benefit fraud, over £15 million worth of council tax fraud, and £21 million worth of other types of fraud including false insurance claims, and abuse of the disabled parking 'blue badge' scheme. In addition nearly 1,600 homes have been recovered by councils with a replacement cost of approximately £240 million. We also describe the action taken by some councils to tackle fraud and provide links to tools to help councils improve their counter-fraud defences. Our updated checklist gives organisations providing public services another opportunity to consider how effective they are at responding to the risk of fraud. Also available is a [single person discount comparator tool](#) that allows local authorities to compare their levels of council tax single person discount with their predicted levels, based on a national average.



- **Finance improvement tool.** Published 16 September 2010. Following our 'Under Pressure' study (February 2010), we have developed a finance improvement tool to help councils respond to the financial challenges of an ageing population and identify scope for improvement.



- **Strategic financial management in councils,** 8 September 2010. Delivering services with a reduced income. In our latest report, we reveal how organisations that manage their finances strategically are more adaptable and resilient when money is tight, and how other councils can learn from them. Councils need to make some urgent and tough decisions. 'Strategic financial management in councils' is aimed at all council staff, especially those who hold the purse strings of local government. In it, we point out potential financial pitfalls, highlight successes, and feature a value for money self-assessment questionnaire that can be used locally. The findings in the report are supported by a good-practice checklist that describes the key issues for improving financial management. Councillors and managers can use the checklist to evaluate their current approach to financial management.



- **Local government pensions in England - an information paper** - 29 July 2010. In our latest information paper, we examine the long-term affordability of the Local Government Pension Scheme, and look at steps that could be taken to put it on a better financial footing.
- **Local government claims and returns, 27 July 2010.** The level of amendments and the number of qualification letters issued by auditors in 2008/09 shows some authorities can improve their preparation of claims and returns. The first Audit Commission annual report on certification work, published on Thursday 29 July, shows that in 2008/09 Audit Commission auditor's certified claims and returns from local authorities for schemes covering £45.6 billion of public money. Auditors agreed amendments to claims and returns totalling £54.5 million. Eight schemes had total amendments over £1 million and auditors qualified 673 (24 per cent) claims and returns. For the housing and council tax benefits scheme, 85 per cent of benefits claims had qualifications or amendments or both. Certification of 2008/09 claims and returns cost local authorities £18.7 million which is 0.04 per cent of the total value certified.



- **Against the odds. Re-engaging young people in education, employment or training** - 7 July 2010. We reveal how councils need a new approach in getting to grips with the needs of their local teens, in order to make scarce resources work harder for those at greatest risk of long-term unemployment.



- **A review of collaborative procurement across the public sector**, 21 May 2010. The National Audit Office and the Audit Commission have jointly produced this review. It draws on Audit Commission research in local government, carried out during the autumn of 2009. The review finds that although collaborative procurement has the potential to improve value for money, the public sector procurement landscape is fragmented, with no overall governance. Consequently, public bodies are incurring unnecessary administration costs by duplicating procurement activity, and they are paying a wide range of prices for the same commodities, even within existing collaborative arrangements. It recommends that, given the size of public sector procurement spend and the potential to significantly

improve value for money, public bodies should work together much more effectively than they currently do. And there should be a clear framework to coordinate public sector procurement activity.

- **By mutual agreement**, 16 March 2010. Severance deals serve councils and the taxpayer. But our research shows that not all pay-offs are justified. Competent chief executives sometimes lose their jobs needlessly, and less effective individuals have been paid-off rather than dismissed.
- **Healthy balance**, 11 March 2010. Does your ward have a high number of teenage pregnancies, or is there growth in childhood obesity? This briefing says the NHS allocated £21 billion in 2009/10 on the basis of inequalities in health between areas. The impact of the spending is unclear.
- **The truth is out there: A discussion paper**, 5 March 2010. Information is essential: it helps you make better decisions. Making more and better information available to the public should help them evaluate the decisions their elected representatives are making, what public money is spent on and with what result. This discussion paper looks at how councils and health trusts, social workers, doctors and police can improve data and analysis made available to the public.
- **Under pressure**: Tackling the financial challenge for councils of an ageing population, 18 February 2010. Councils need to understand the nature and needs of residents who are ageing. The report stresses growth in the number of older citizens affects all services. We need better working across boundaries.
- **Giving children a healthy start: A review of health improvements in children from birth to five years**, 3 February 2010. Have the large sums spent on young children from 1999 to 2009 improved their health? The study examines local service planning and delivery, and how councils and primary care trusts can improve services and access for vulnerable groups, lone and teenage parents and black and minority ethnic communities.



International Financial Reporting Standards (IFRS)

70 We have listed the IFRS reports and briefings available on the Audit Commission website for management and members. This will be the second year of financial reporting under IFRS.

Complete list of resources

- [The final countdown: IFRS in local government](#) → 17 March 2011. The Commission has published the final briefing paper in its Countdown to IFRS series, reporting on findings from a January 2011 auditor survey on implementation of IFRS in local government.
- [Countdown to IFRS: Reporting on operating segments - 29 October 2010](#) Our latest briefing on the countdown to IFRS covers principles and practical issues that authorities should consider when reporting on operating segments.
- [Countdown to IFRS: Progress on the transition to IFRS - 5 October 2010](#) The deadline for local authorities to produce IFRS-compliant accounts is fast approaching. Successful implementation of IFRS will testify to the ability of local government to manage a major change in its financial arrangements. The paper draws on a survey completed in July 2010 by auditors of all local authorities, fire and rescue authorities, and police authorities, on local government's progress on transition to IFRS. In this paper we:
 - make comparisons with a baseline assessment taken in November 2009;
 - set out relevant lessons from the NHS experience of transition, as NHS bodies have implemented IFRS a year earlier than local government; and
 - outline the key actions that authorities should be taking at this stage.
- [Countdown to IFRS: Accounting for employee benefits - 15 July 2010](#) Issues authorities may face when accounting for employee benefits.
- [Countdown to IFRS: Managing the practical implications of restating non-current assets - 17 June 2010](#) Guidance on managing the practical implications of restating non-current assets.
- [Countdown to IFRS: Summary paper - 8 June 2010](#) A guide for senior managers and members.
- [Countdown to IFRS: Accounting for non-current assets - 17 May 2010](#) Introducing international financial reporting standards (IFRS) for Accounting for non-current assets.
- [Countdown to IFRS - Checklist for councillors - 17 March 2010](#) Councillors checklist - discussing IFRS transition plans with officers.
- [Countdown to IFRS - Identifying and accounting for leases - 17 March 2010](#) Issues arising from the introduction of International Accounting Standard (IAS) 17: Leases.

- [Countdown to International Financial Reporting Standards \(IFRS\) - 19 February 2010](#)
Implementation of IFRS in local government.
- [IFRS briefing paper 3 for local government - 4 May 2009](#)
Managing the transition to IFRS.
- [IFRS briefing paper 2 for local government - 1 September 2007](#)
The move to international financial reporting standards - how can your auditor help?
- [IFRS briefing paper 1 for local government - 1 May 2007](#)
The move to international financial reporting standards.