

LONDON BOROUGH OF HARINGEY
EXTERNAL AUDIT PROGRESS REPORT – MAY 2012

Work	Progress
2011/12 Accounts audit	<p>Our interim audit took place in February which has informed our accounts audit strategy. The findings from our work and the impact on our proposed audit strategy including addressing key risks is set out in our Accounts Audit Approach Memorandum which we are presenting to this meeting of the Corporate Committee.</p> <p>We will continue to work with the Council as it prepares its financial statements to ensure that any issues arising can be discussed at an early stage.</p>
2011/12 VFM	<p><u>Financial Resilience 2</u></p> <p>We have agreed the terms of reference for our follow-up study of financial resilience. This work informs our Value for Money conclusion. The review will follow up on the recommendations made in last year's report and will also include:</p> <ul style="list-style-type: none"> • a review of the responsiveness of the Council's MTFP, for example to changes to key assumptions such as the impact of demographic change and price inflation in the medium term, and the outcome of the Government's funding settlement for the final two years of the plan. • a deep dive on the 2012/13 savings plans in selected areas to be agreed with management, testing out the robustness of the key assumptions and risk profile. • review the financial management arrangements including investment decisions and savings plans in Children's Services drawing on internal audit and other assurance processes and using benchmarking where appropriate. <p>Work is underway and we will report our findings to the next Corporate Committee.</p> <p><u>Procurement review</u></p> <p>We have agreed the terms of reference for the procurement review. This work will also inform our Value for Money conclusion. As part of the work</p>

	<p>we will assess the current procurement arrangements against good practice from our experience of a range of organisations. This will help to identify potential changes to your operating model and other options for the delivery of an improved procurement service.</p> <p>Work is underway and we will report our findings to the September Corporate Committee.</p>
Audit Fee (12/13)	<p>The Audit Commission has consulted on its work programme and scale of fees for 2012/13 and this is publically available on their website: http://www.audit-commission.gov.uk/audit-regime/audit-fees/201213fees/pages/individualfees_lgfire.aspx</p> <p>For 2012/13, the Commission has reduced audit fees for audited bodies compared to the published 2011/12 scale fees, reflecting the Commission's continued reduction in costs.</p> <p>The fee for the Council is £272,700. This compares to £454,500 for 2011/12.</p>
Publications	<p>In April 2012 Grant Thornton publishes " High Pressure System Local Government Governance Review". A comprehensive review of Annual Governance Statements produced by Local Authorities in 2010/11. The report identifies some key strengths such as:</p> <ul style="list-style-type: none"> • 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 <p>However our review identified scope for improvement in areas such as:</p> <ul style="list-style-type: none"> • 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