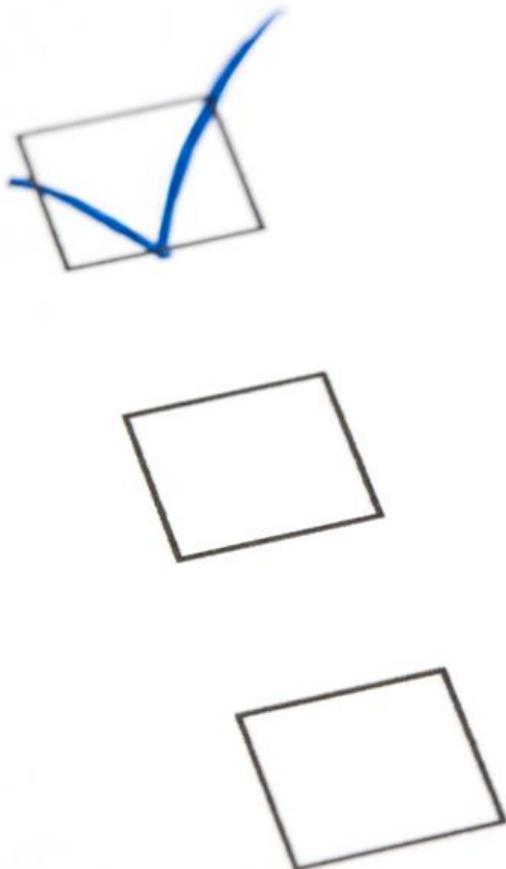


Sunderland City Council



Audit Progress Report

February 2014



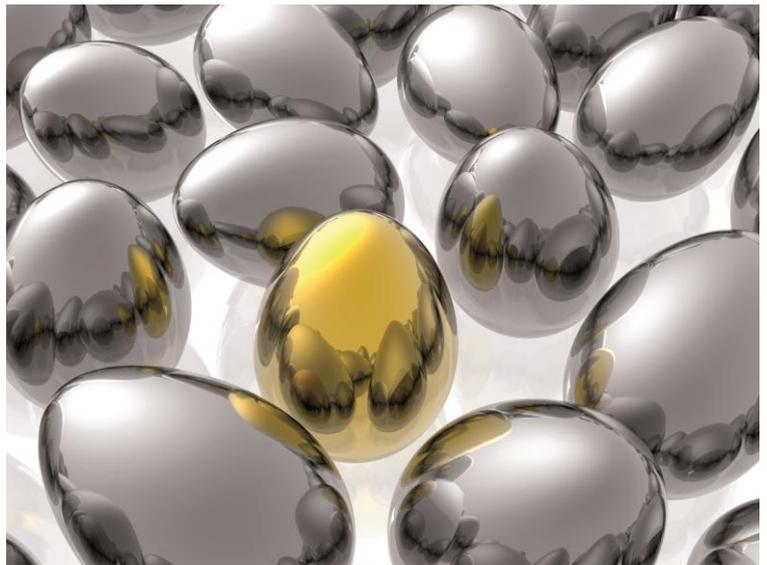
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Purpose of this paper

The purpose of this paper is to update the Audit and Governance Committee on progress in meeting our responsibilities as your external auditor. We also include in this paper key emerging national issues and developments which may be of interest to members of the Committee.

If you need any additional information please contact Mark Kirkham or Gavin Barker using the contact details at the end of this update.

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Summary of audit progress



Our planning for the 2013/14 audit is now well under way.

We are on target to present our Audit Strategy Memorandum to the Audit and Governance Committee in March 2014. This document will set out the risks we identify for both the opinion on the financial statements and the value for money conclusion, and our overall approach to the audit.

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Emerging issues and developments



The following pages outline for your attention some significant emerging issues and developments in respect of:

- Auditing the Accounts 2012/13, Quality and timeliness of local public bodies' financial reporting
- Financial Statements: A Good Practice Guide for Local Authorities
- Future of Local Audit: Consultation on Secondary Legislation, DCLG
- Protecting the Public Purse 2013.

Emerging issues and developments

Issue / development	Implications
<p>Auditing the Accounts 2012/13, Quality and timeliness of local public bodies' financial reporting</p> <p>This Audit Commission report summarises the financial reporting outcomes for local authorities and other bodies within its regime. Audit opinions were issued at 99% of councils by 30 September 2013. The report names authorities that produced their accounts early and also names those where there were delays or non standard wording to the auditor's reports.</p>	<p>Sunderland City Council met all of the statutory deadlines and received an unqualified audit opinion on 30 September 2013.</p> <p>The report can be found at http://www.audit-commission.gov.uk/2013/12/commission-highlights-year-on-year-improvement-in-financial-reporting/</p>
<p>Financial Statements: A Good Practice Guide for Local Authorities</p> <p>This CIPFA report acknowledges that "local authority financial statements are complex, and readers can find it difficult to identify the information they need." The report highlights the role that councils can themselves play in de-cluttering the financial statements, and in presenting key information in a clear narrative that makes the statements more accessible.</p>	<p>This publication provides some ideas which could be considered in trying to make the published financial statements more informative and accessible to readers of the accounts.</p>

Emerging issues and developments

Issue / development	Implications
<p>Future of Local Audit: Consultation on Secondary Legislation, DCLG</p> <p>This DCLG consultation was wide ranging, but also includes proposals in relation to the Accounts and Audit Regulations. One important consultation question, of wider interest to authorities, is whether the local authority accounts production timetable should be brought forward.</p> <p>The consultation has now closed and we are awaiting the results of the process.</p>	<p>If the accounts timetable is brought forward this would impact on the Council's accounts production processes.</p> <p>The consultation can be found at: http://localaudit.readandcomment.com/</p>
<p>Protecting the Public Purse 2013</p> <p>In our last Audit Progress Report, we highlighted the Audit Commission's annual report on fraud, published in November 2013. The Commission has now produced briefings for individual authorities based on its research.</p> <p>We have shared the briefing with the Head of Financial Resources and with Internal Audit. We will discuss with them how best to present these findings and other issues in relation to fraud to a future meeting of the Audit and Governance Committee.</p>	<p>The briefing for Sunderland City Council does not highlight any major issues of concern in respect of the Council's detection of fraud.</p> <p>The national report can be found at http://www.audit-commission.gov.uk/2013/11/councils-find-178m-in-frauds-against-local-government-but-detection-rates-are-patchy/</p>

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