

Audit Progress Report

Sunderland City Council



February 2017





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Audit progress

2016/17 audit planning

Planning of the 2016/17 audit is underway. The intention is to present our Audit Strategy Memorandum to the Audit and Governance Committee on 31 March 2017, which will set out our assessment of the audit risks and our plans to address them, relating to both our opinion on the financial statements and our Value For Money (VFM) conclusion.

A major technical change that was expected to impact on the 2016/17 accounts has now been deferred by CIPFA. This related to accounting for highways infrastructure on a depreciated replacement cost basis. It is now unclear when the changes required might now take effect. We will keep this position under review.

Bringing forward the accounts and audit timetable

The accounts and audit timetable will be formally brought forward from the 2017/18 audit, with the draft accounts requiring certification by the end of May and the audit being completed by the end of July.

Following discussion with officers, we have agreed to trial the new timetable for the 2016/17 audit. Arrangements are being made to meet the new timetable.

North East Governance Forum

The next meeting of our Governance Forum, targeted at Chairs and Vice Chairs of Audit Committees and officers, is planned for Wednesday 8 February 2017. The agenda includes topical items on commercialisation, local authority trading companies and alternative models of service delivery. We are grateful to your own officer Paul Davies, Head of Assurance, Procurement and Performance Management, who has agreed to lead a session on the development of an assurance framework.

Final accounts workshop

As in previous years, we are running an annual final accounts workshop for local authorities, designed to help ensure the final accounts process goes as smoothly as possible. This workshop is being held in February 2017; we have invited officers to ensure that the Council is represented at this event, which is free of charge.

National publications and other updates

National publications and other updates	
1	2017/18 work programme and scale of fees, PSAA, October 2016
2	Procurement strategy, PSAA, December 2016
3	Report on the results of auditors' work 2015/16: Local government bodies, PSAA, December 2016

1. 2017/18 work programme and scale of fees, PSAA, October 2016

The consultation sets out the work that auditors will undertake at principal local government and related bodies for 2017/18, with the associated scale fees.

There are no changes to the overall work programme for 2017/18. PSAA therefore proposes that scale fees are set at the same level as the fees applicable for 2016/17. These fees reflect the significant reductions made to scale fees since 2012/13. The consultation ended on 12 January 2017.

<http://www.psaa.co.uk/audit-and-certification-fees/201718-work-programme-and-scales-of-fees/>

2. Procurement strategy, PSAA, December 2016

As previously reported to the Audit and Governance Committee, from 2018/19 onwards, local authorities will be required to appoint their own auditor. A collective procurement option is available via PSAA who published their procurement strategy on 21 December 2016. There is also a list of authorities that have signed-up to the collective procurement on the website.

<http://www.psaa.co.uk/supporting-the-transition/appointing-person/procurement-strategy/>

<http://www.psaa.co.uk/supporting-the-transition/appointing-person/opted-in-authorities/>

3. Report on the results of auditors' work 2015/16: Local government bodies, PSAA, December 2016

Auditors of 96% of councils were able to issue the opinion on the accounts by the statutory deadline of 30 September 2016.

PSAA's conclusions in relation to local authorities included that "The timeliness and quality of financial reporting for 2015/16, as reported by auditors, remained broadly consistent with the previous year for both principal and small bodies. The number of principal bodies that received an early unqualified audit opinion (by 31 July) doubled compared with 2014/15. In spite of the challenges they are facing, principal local government bodies are working hard to maintain high standards of financial reporting. The latest results of auditors' work on the financial year to 31 March 2016 show a good position for the majority of organisations."

<http://www.psaa.co.uk/appointing-auditors/terms-of-appointment/reports-on-the-results-of-auditors-work/>

Contact details

Please let us know if you would like further information on any items in this report.

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