

Progress report

Audit Panel June 2011

London Borough of Lewisham

Audit 2010/11

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.

Contents

Introduction	2
Opinion on the 2010/11 financial statements.....	2
Certification of claims.....	2

Introduction

1 The purpose of this paper is to provide the Audit Panel with a report on progress in delivering our responsibilities as your external auditors.

Opinion on the 2010/11 financial statements

2 I have discussed and agreed audit opinion plans with the Council setting out the work that I propose to undertake for the audit of the financial statements and the value for money conclusion 2010/11.

3 There are two plans included on the agenda:

- LB Lewisham: audit opinion plan
- LB Lewisham Pension fund: audit opinion plan

Certification of claims

4 The Council receives funding from various grant paying departments which the Audit Commission review and certify. There are conditions attached to these grants by the paying departments. The Council must show that it has met these conditions. If the Council cannot evidence this, the funding can be at risk. It is therefore important the Council manages certification work properly and can demonstrate to us, as auditors, that the relevant conditions were met.

5 In 2009/10, my audit team certified 13 claims and returns, of these:

- I carried out a limited review of four claims and a full review of nine claims;
- I amended three claims requiring full certification for errors;
- for four claims (BEN01 Housing and Council Tax Benefit Scheme, RG31 London Thames Gateway Park: Waterlink Way and Deptford Loop, Pen05 Teachers' Pensions Return and HOU02 HRA Subsidy Base Data), I was unable to certify fully the claim and issued a qualification letter to the grant-paying body;
- of these four, three were both amended and qualified (HOU02 HRA Subsidy was not amended).

6 At a high-level the Council's overall performance in 2009/10 represents an improvement from 2008/09, when the Council amended five of 13 claims and I qualified another five. However this year, of the 13 claims the Council provided six for audit after the deadline. The longest of which (RG31 – London Youth Offer) the Council made ready for audit five months after its April deadline. I have also identified scope for improvement in the quality of working papers. Where issues arise because of inadequate working papers or which result in amendment or qualification, the required audit work increases. This has a direct impact on the fee charged to the Council.

7 I have prepared a report which I have discussed and agreed with officers summarising the results of my work. Additionally I have run a workshop for grants officers to present the significant findings from the report and also explain a list of the tests which I carry out on all grants and returns received. If the work done by officers for these tests were completed prior to submission it would reduce the number of amendments needed.

8 Finally, if you require any additional information regarding the issues included within this briefing, please feel free to contact me or Geoffrey Banister using the contact details at the end of this update.

Susan Exton

District Auditor

June 2011