

Audit Progress Report

City of York Council



February 2017



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Audit progress

Procurement issues report

At the meeting of the Audit and Governance Committee on 20 December 2016 we explained that we would not be able to issue our Procurement Issues Report as a result of actions being taken by the Council. That remains the case and we will update the Committee when the position changes.

Certification of claims and returns

Work on the 2015/16 Housing Benefits Subsidy Claim is completed, and we certified the claim before the Department of Work and Pensions deadline of 30 November 2016.

This is now the only claim remaining part of the national arrangements managed by Public Sector Audit Appointments Ltd (PSAA), successor to the Audit Commission. As the Council's appointed auditor, we acted as an agent of PSAA. Each year auditors must report the results of our certification work to those charged with governance. For 2015/16 the only claim or return within this regime was the Housing benefit subsidy return.

Results of certification work 2015/16

In 2015/16 the prescribed tests for our Housing benefits work were set out in the HBCOUNT module and BEN01 Certification Instructions issued by PSAA. For the Housing benefit subsidy return, on completion of the specified work we issue a certificate. The certificate states whether the claim has been certified either without qualification; without qualification following amendment by the Council; or with a qualification letter. Where we issue a qualification letter or the claim or return is amended by the Council, the grant paying body may withhold or claw-back grant funding.

City of York Council's 2015/16 Housing benefit subsidy return was submitted without amendment and with a qualification letter as set out below.

Claim or return	Value of claim	Amended	Qualified
Housing benefit subsidy	£42,084,339	No amendments.	One minor issue reported as an observation.

We did not make any formal recommendations or highlight any significant issues for improvement.

Certification fees

PSAA set an indicative fee for our work on the Council's Housing benefit subsidy return. We confirm that the final fee payable for this work as outlined in the table below is in line with the indicative fee. The following fee was charged for the 2015/16 work.

Claim or return	2015/16 indicative fee	2015/16 final fee	2014/15 final fee
Housing benefit subsidy	£11,679	£11,679	£15,220

Changes in the audit team

We have made a change within the audit team.

Keith Illingworth, Assistant Manager is taking over from David Hurworth as the team leader on the audit with immediate effect, following an internal reorganisation within Mazars.

Keith has recently joined Mazars from KPMG, and previously worked on the external audit of City of York Council when at the Audit Commission. This should help ensure a smooth transition. Keith will lead the detailed work on the financial statements.

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 5 April 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.

North Yorkshire Governance Forum

The next meeting of our Governance Forum, targeted at Chairs and Vice Chairs of Audit Committees and officers, is planned for Friday 3 February 2017. The agenda includes topical items on Cybercrime and Health and Social Care. Members and officers have been invited to this event.

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.

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.psa.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. City of York Council is on this list.

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

<http://www.psa.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.psa.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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