



Public Sector

**Progress statement for the external audit programme  
2012/13**

Report to Bury MBC Audit Committee

25 June 2013

AUDIT

# External Audit Progress Statement

Work description	Work due by	Comment on progress
Financial Statements	September 2013	<p>We have now completed the planning and control evaluation phases of the four stage audit approach outlined in our Audit Plan presented to Audit Committee in February.</p> <p>We carried out our interim audit in April and have reported our findings to management. We have not identified any significant control weaknesses.</p> <p>We will:</p> <ul style="list-style-type: none"> <li>- undertake our substantive testing of the financial statements in July; and</li> <li>- present our <i>Audit Highlights Memo</i> (ISA 260), to the Audit Committee in early September 2013.</li> </ul>
Value for Money conclusion	September 2013	<p>Our approach to the Value for Money (VFM) audit is included in the Audit Plan presented to Audit Committee.</p> <p>Over the next few months we will undertake a risk-focused review your arrangements to secure value for money and ensure financial resilience.</p> <p>In response to questions that were raised at the last audit committee meeting, we have added an appendix to this report which provides further detail on the work we undertake to form our value for money conclusion.</p>

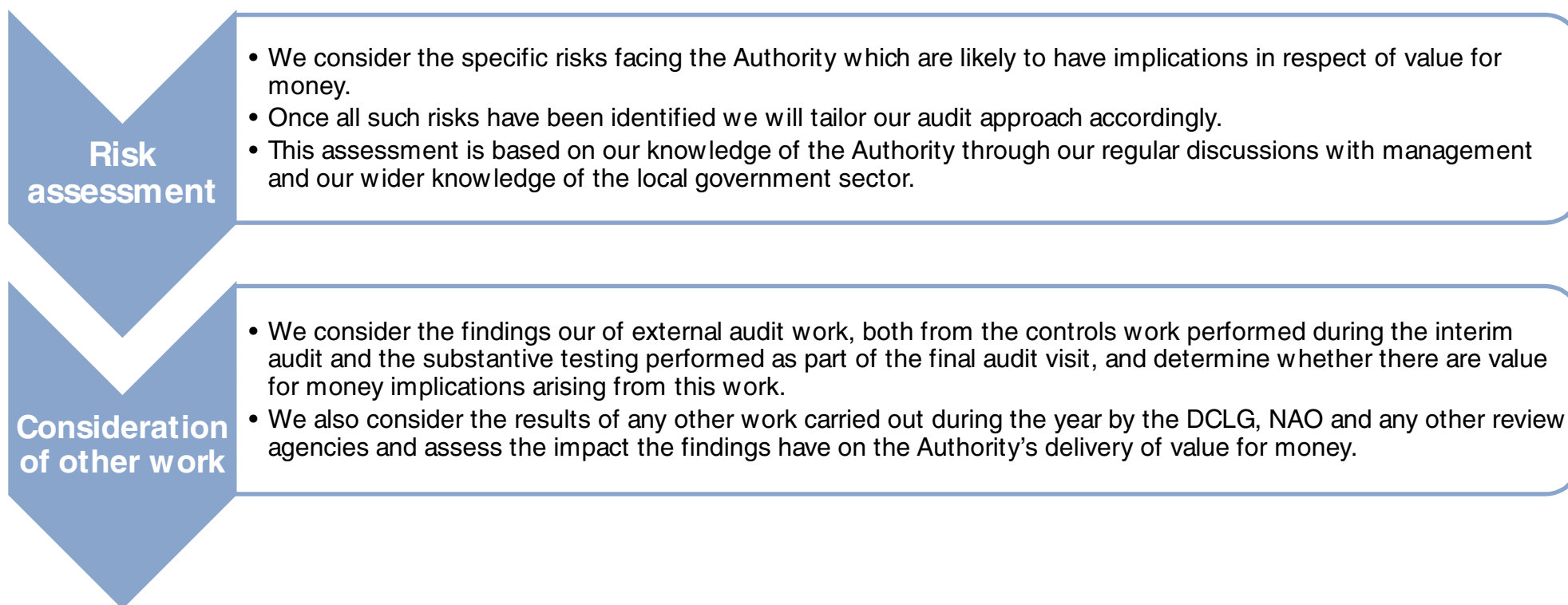
# Appendix 1 – Value for Money conclusion

The Audit Commission's Code of Audit Practice requires auditors to:

- 1 plan their work based on consideration of the significant risks of giving a wrong conclusion; and
- 1 carry out only as much work as is appropriate to enable them to give a safe VFM conclusion.

We tailor our work to address the audit risk regarding the two specific criteria on which we are required to conclude, your financial resilience and your arrangements to secure Value for Money.

The diagram below summaries the audit process in respect of our value for money conclusion.



## Appendix 1 – Value for Money conclusion

### Completion of work programmes

- We carry out detailed testing over two specific criteria: financial resilience and securing value for money:
- Financial resilience – our testing includes: ensuring the Authority has robust systems and processes in place to manage financial risk; and reviewing the arrangements the Authority has to deliver and manage a stable position for the foreseeable future.
- Securing value for money – our testing considers how the Authority priorities its resources and the efficiency and cost savings plans the Authority has in place. We will gain an understanding as to how these will be delivered and determine whether the plans are realistic and achievable.
- As part of our testing we perform benchmarking analysis of the Authority's services, importantly this considers both cost and quality. The results of this exercise are used to assist us in assessing whether value for money has been achieved.

### Conclusion

- We use the findings and conclusions reached at each stage of process to reach an overall value for money conclusion.
- Value for money findings are reported to Audit Committee as part of our *'report to those charged with governance (ISA 260)'*.
- We issue our value for money conclusion to the Authority.