

Progress Report

Southampton City Council

Audit 2010/11

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Progress with 2010/11 audit

Report	AC key contact	Authority contact	Expected report	Reported to Audit Committee	Comment
Audit plan 2010/11	Kate Handy	Audit Committee	June 2010	June 2010	The initial fee letter for 2010/11 was presented at the June 2010 meeting. A detailed opinion plan has been prepared and will be discussed at the 23 June 2011 meeting of the Audit Committee.

Financial statements

Interim audit memorandum (If appropriate)	Mike Bowers	Andrew Lowe	June 2011	N/A	The pre statements audit has been completed. The issues arising have been discussed with officers. The opinion plan includes the audit opinion risks that we will address during the audit of the financial statements.
Annual Governance Report (ISA260)	Kate Handy	Standards and Governance Committee	September 2011		
Accounts opinion	Kate Handy	Standards and Governance Committee	September 2011		
Final Accounts memorandum (If appropriate)	Mike Bowers	Andrew Lowe	October 2011		

Value for money conclusion

Value for money conclusion	Kate Handy	Standards and Governance Committee	September 2011		The key areas that we will review were discussed at the Audit Committee meeting on 17 March 2011.
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Report	AC key contact	Authority contact	Expected report	Reported to Audit Committee	Comment
Highways maintenance	Tim Thomas	Lorraine Brown	March 2011		The findings from this audit have been reported to officers. The key points are summarised in appendix 1 to this progress report.
Certification of grant claims and returns					
Annual report	Mike Bowers	Andrew Lowe	March 2011	March 2011	The report was presented at the 17 March 2011 meeting of the Audit Committee.
Annual Audit Letter					
Annual Audit Letter	Kate Handy	Alistair Neill	November 2011		

Appendix 1 Highways Partnership Project 2010/11

Introduction and background

The Council has let the contract for the provision of highways services, which is now being delivered through a strategic partnership with a private sector provider.

I have completed my audit of this contract which amounts to £100 million over a ten year period to feed into my value for money conclusion. The large scale nature of the project means that I need to consider this contract before arriving at my value for money conclusion for 2010/11.

Conclusions

In completing this review I have focussed on the key risks for my value for money conclusion arising from the Highways Services Partnership (HSP) project and contract. The table below sets out these risks and my key conclusions. More detail has been provided to officers in a summary report.

Table 1: **Highways Services Partnership**

Area of potential risk	Key conclusions
The potential for the partnership to realise the benefits that were predicted to the Council	The Council has put in place measures to ensure it realises vfm from its HSP. It has also put in place arrangements to drive benefits realisation in line with the revised business case intentions. It will become clearer whether these benefits are realised as the contract progresses.
The robustness of the governance arrangements that have been set up.	The Council, together with its partner, has formed a Strategic Partnership Board. The functions and responsibilities of the Board have been established and these should provide a basis for strong governance in relation to the partnership.
Whether the governance arrangements are working in practice	At the time of the review the HSP governance arrangements had been established but were in the initial stages of operation. If they are firmly implemented they should provide a basis for strong governance in relation to the partnership. Governance arrangements in respect of performance management were not easy to quantify at this early stage of the contract, including how they are being implemented by the Operations Board.

Source: Review of the Highways Services partnership

I am satisfied that the Council has put in place measures to ensure it realises vfm from HSP in line with the revised business case intentions. I will consider the effectiveness of the performance management arrangements that are operated through the 'Operations Board' before completing my Annual Audit Letter for 2010/11.

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