

**Audit Commission**

**Presentation**



# Reporting the Audit

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# What is a report?

- ‘An account prepared for the benefit of others, especially one that provides information obtained through investigation...’  
(Collins English Dictionary)
- Four areas in this presentation
  - 1) What is reported?
  - 2) When is it reported?
  - 3) How is it reported (structure and content)?
  - 4) Who do we report to?
- This is a practitioner’s view (this is what I do)

## What we report

- Number of reports issued is dependant upon the size and complexity of the client and the services provided
- At minimum five reports for each client each year, whether in health, local government or criminal justice
- At most clients additional reports on other areas / service areas (whether mandated or locally agreed)
- Inspection reports (local government) – number and frequency depends on rating (if you're 'good' you get less)
- Report to 'those charged with governance' – almost always Audit Committee on behalf of Board/Council

# What we report: the five 'core' reports

- Audit (and inspection) plan  
(sets out the work required to discharge our audit responsibilities)
- ISA 260 report to those charged with governance  
(report to those charged with governance on issues arising from our opinion audit (accounts audit))
- Report on the use of resources / Auditor's Local Evaluation  
(local auditor's evaluation of financial, governance and value for money arrangements)
- Annual Audit Letter  
(summary of work carried out, key findings and recommendations for that year's audit – public document)
- Interim and opinion audit memorandum  
(to management only; specific issues arising from accounts audit)

# Reports issued: health client (£65m turnover)

| Planned output  | Actual date of issue   |
|---|--|
| Audit plan  | March 2005   |
| Annual governance report  | 23 June 2006   |
| Interim and final accounts memorandum   | August 2006<br>(This is currently with officers for completion of the action plan on recommendations).   |
| Opinion on financial statements   | 6 July 2006  |
| Value for money conclusion  | 6 July 2006  |
| Acute Hospital Portfolio review of: <ul style="list-style-type: none"> <li>• imaging services</li> <li>• medicines management.</li> </ul> | July 2006<br>(This service is provided by the Oxford Radcliffe NHS Trust and is currently with their officers for completion of the action plan on recommendations). |
| Data quality: follow up review of 'spot check' on waiting lists   | 31 March 2006  |
| Auditors' Local Evaluation  | September 2006   |
| Annual audit letter   | September 2006   |

# When we report

- Built into, and drives, Audit Committee cycle

|                       | Health  | Local government   |
|-----------------------|---|--|
| January –<br>March    | Audit Plan  | Audit Plan<br>Annual Audit Letter (including<br>direction of travel)<br>Use of Resources report<br>(District Councils) |
| April –<br>June       | ISA 260 report  |  |
| July –<br>September   | Annual Audit Letter<br>Auditor’s Local<br>Evaluation (use of<br>resources) report<br>Accounts<br>Memorandum | ISA 260 report   |
| October -<br>December |   | Accounts Memorandum<br>Use of Resources report<br>(upper tier authorities)   |

## How we report

- How does the client want us to report?
- Mainly by written report
- BUT use of Powerpoint presentations for much of the performance work (with short written report)
- Some facilitated workshops (with a short report as an action plan)
- Ideally, report no more than 10 - 12 pages
- AVOID long reports (NO longer than 25 pages)
- Focus on key messages

# How we report: reporting ‘conventions’

- ‘A guide to writing for the Audit Commission’ (May 2005)
- ‘Reports leading to action’
- Short sentences
- Identify your reader
- Use familiar words, avoid jargon and technical terms
- Write in the present tense and use active verbs
- Use appendices for detail
- Use of templates – standard structure, some standard text, some are quite proscriptive in what said/covered
- ‘Catalyst for change’ – report aimed to drive improvement in a given area, focus on action to address recommendations raised



# Who do we report to?

- Three 'tiers' of reporting: internal, external, public
- Internal

Reports are to the client (to then use and distribute accordingly)

We will present report findings to relevant groups/committees/staff

Finalised reports go to Audit Committee as 'those charged with governance'

Action tracking: report to Audit Committee on progress on recommendations

- External

Annual Audit Letter: requirement that goes onto client's website

Thus into public domain: all clients also put Board/Council papers on website

- Public

Report under s8 of the Audit Commission Act - report in the public interest

Report is made public = press have access

Serious concerns over financial performance or governance

Was very rare; now much more common in health

## Who do we report to?

- Also report to the Audit Commission (who will then report findings to government and/or in national reports)
- National reports will generate more press and public interest...
- ...and may well generate local press interest

## Closing thoughts

- Not just reporting findings, providing recommendations and action required to improve
- Our reports should be a 'catalyst for change'; otherwise of no benefit
- Must follow up progress on recommendations over time
- Know your audience(s)
- Report has to be 'owned' by the client to lead to success
- Presence of Annual Audit Letter on the website a move to greater public accountability; more queries from public?
- Part of a wider, ongoing professional working relationship with clients