Subject: External Audit Report: E-government Benefits

Report Number: 11

Report to: Audit Panel

Date: 17 July 2007

Report of: Martin Clarke – Interim Executive Director of Finance & Performance

1. Recommendations

1.1 That the Audit Panel note the content of the report and the actions it recommends, which are listed in paragraph 3.2 below.

2. Background

2.1 External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of public services.Audit in the public sector is underpinned by three fundamental principles:
   • auditors are appointed independently from the bodies being audited;
   • the scope of auditors’ work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business; and
   • auditors may report aspects of their work widely to the public and other key stakeholders.

2.2 The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998 and the Local Government Act 1999 and the Commission’s statutory Code of Audit Practice. Under the Code of Audit Practice, appointed auditors are also required to comply with the current professional standards issued by the independent Auditing Practices Board. Appointed auditors act quite separately from the Commission and in meeting their statutory responsibilities are required to exercise their professional judgement independently of both the Commission and the audited body.

3. Report for Consideration

3.1 The external auditors have finalised a report on e-government and the report entitled “E-Government Benefits” is attached as Report 11a.

3.2 For the Committee’s convenience the recommended actions in the report are:
3.2.1 Ensure that the roles and reporting lines for groups involved in ongoing Your London portal development are clear and unambiguous.

3.2.2 Give explicit responsibility to a group (possibly the E-Government Board) to monitor delivery of programmes where the Authority is not leading on delivery.

3.2.3 The Authority should ensure there is a means of monitoring progress of the London Connects smartcard project.

3.2.4 Review the status of the PeDiL outputs and decide whether promote PeDiL or switch to Voice.

3.2.5 Business cases should include benefits, quantified wherever possible along with baselines and metrics. Responsibility for realising benefits should be allocated as part of programme management.

3.3 This report has been considered by the Mayor on 25 June 2007 and the Mayor has noted the conclusions and recommendations.

4. Strategy Implications

4.1 There are no direct strategy implications

5. Legal Implications

5.1 Under section 127 of the Greater London Authority the Authority acting by the Mayor is responsible for making arrangements for the proper administration of its financial affairs and for securing that an officer is appointed to be responsible for those affairs. The Director of Finance and Performance as chief finance officer of the Authority under section 127(2) of the Act has this statutory responsibility.

5.2 The external audit of the Greater London Authority is required under section 2 and governed by Part II of the Audit Commission Act 1998. The Authority is a body included in the list of bodies under Schedule 2 of the Audit Commission Act 1998, as amended by section 133(1) of the Greater London Authority Act 1999.

9. Financial Implications

9.1 There are no direct costs associated with the implementation of the audit recommendations.

Background Papers: None

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