

EXTERNAL AUDIT PLAN PROGRESS REPORT

1 Purpose

- 1.1 To receive a progress report from the external auditors Ernst and Young on the current stage of their work relating to 2014/15 (Appendix A).

2 Recommendations/for decision

The Committee is asked to:

- 2.1 Consider the Progress Report from the external auditors and confirm that the work is aligned with the committee's expectations.

3 Supporting information

- 3.1 The progress summarises the work undertaken already and the work planned for 2014/15 in accordance with statutory requirements and to ensure it is aligned with the committee's expectation.

4 Reasons for Recommendation

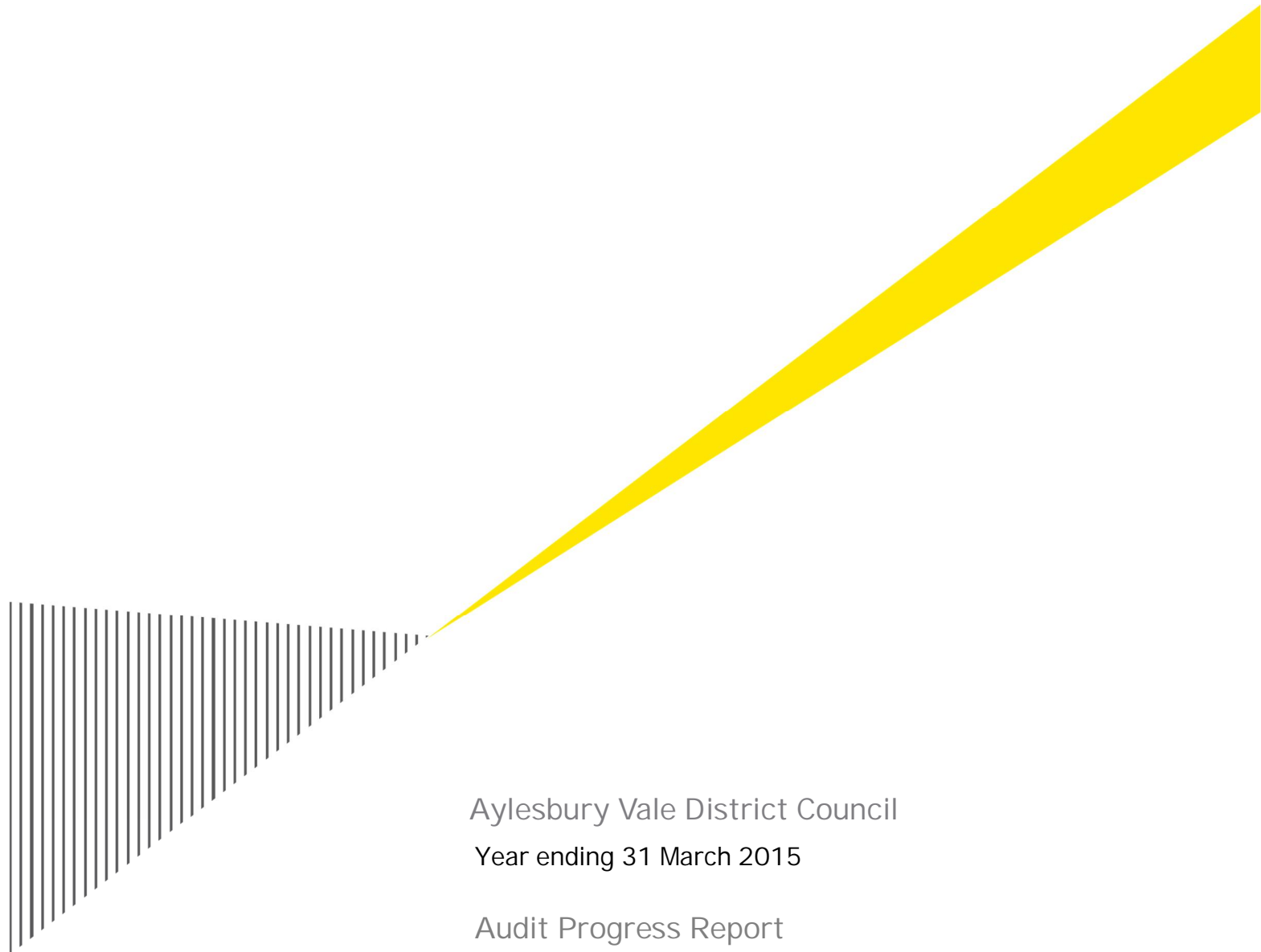
- 4.1 This report forms part of the independent external audit review process. The Audit Committee's role requires it to receive regular reports from the external auditors on the progress of their work at AVDC.

5 Resource implications

- 5.1 None

Contact Officer Evelyn Kaluza Business Assurance Services Manager
Tel: 01296 585549

Background Documents None



Aylesbury Vale District Council
Year ending 31 March 2015

Audit Progress Report

13 July 2015



Ernst & Young LLP
Apex Plaza
Forbury Road
Reading
RG1 1YE

Tel: + 44 118 928 1599
Fax: + 44 118 928 1101
ey.com

Councillor Timothy Mills
Chairman of the Audit Committee
Aylesbury Vale District Council
The Gateway
Aylesbury
Bucks HP19 8FF

13 July 2014

Dear Councillor Mills

Audit Progress Report – 2014/15

We are pleased to attach our Audit Progress Report.

The purpose of this report is to provide the Audit Committee with an overview of the stage we have reached in your 2014/15 audit and to ensure our audit is aligned with the Committee's expectations.

Our audit is undertaken in accordance with the requirements of the Audit Commission Act 1998, the Code of Audit Practice, the Audit Commission Standing Guidance, auditing standards and other professional requirements.

We welcome the opportunity to discuss this report with you as well as understand whether there are other matters which you consider may influence our audit.

Yours sincerely

Maria Grindley
Director
For and behalf of Ernst & Young LLP
Enc

Contents

1. Planned work	2
2. Timetable.....	3
Appendix 1: Audit Progress.....	4

1. Planned work

Meetings

We will continue regular meetings with key officers as part of our ongoing audit process including:

- ▶ fortnightly meetings with key finance staff during the opinion audit visit to discuss significant risks around the accounts and updates on our work; and
- ▶ monthly updates with Senior Finance Officers to discuss the significant risks and other issues faced by the Council and our approach and progress with the audit.

Walk throughs and tests of control

We have completed all of our walk throughs and controls testing including our review of the work of Internal Audit where completed and appropriate.

To date our work has not identified any issues that we need to bring to your attention as those charged with governance.

Value for money assessment

As part of our planning procedures, we will consider the significant risks of giving a wrong conclusion. We need to carry out as much work as is appropriate to enable us to give a safe conclusion on arrangements to secure value for money. We may also identify other risks where we plan to focus some additional attention during the audit.

Due to the financial pressures on local government continuing we have reassessed this as a significant risk. This reassessment does not reflect particular concerns that we have at this stage on the Council's processes of approach but they do reflect the environment in which the Council is operating.

Significant risk Impacts arrangements for securing financial resilience

Our audit approach

Medium term financial planning

The Council continues to face financial challenges; with a savings requirement of £0.6m in 2016/17. The current medium term financial plan has a cumulative budget gap of £2.5 million in 2017/18. With a savings gap of at least £1.8m per year beyond 2017/18.

The medium term financial plan sets out the Council's strategic approach for closing the budget gap and key deliverables that are critical to the future financial sustainability of the Council.

Our approach will focus on:

Reviewing the achievement of the planned savings in 2014/15;

Reviewing the Council's ongoing identification of savings or alternative income streams to reduce the budget gap in 2016/17; and

Reviewing the Council's medium term financial planning and assumptions to 2017/18.

Financial statements

We reported the risks identified during our planning in our audit plan which came to the March 2015 Audit Committee and there are no further issues or risks to raise at this stage as a result of the interim work completed.

Claims and returns certification 2014-15

We have started work on the certification of your 2014/15 claims and returns. In particular, we have started work on your housing benefit subsidy claim and this should allow us to complete our work before the November deadline.

2. Timetable

Audit Committee Timeline

We have set out below a timetable showing the key stages of the audit, including the value for money work and the work on Whole of Government Accounts, and the deliverables we have agreed to provide to you through the 2014/15 Audit Committee cycle.

We will provide formal reports to the Audit Committee throughout our audit process as outlined below. Where required, we will issue an Interim Report, summarising the findings from our audit at that stage. From time to time matters may arise that require immediate communication with the Committee and we will discuss them with the Committee Chair as appropriate.

Following the conclusion of our audit we will prepare an Annual Audit Letter in order to communicate to the Council and external stakeholders, including members of the public, the key issues arising from our work.

Audit phase	Timetable	Deliverables
High level planning:	April 2014	Fee Letter provided to the Chief Executive and Chair of the Audit Committee in April 2014
Risk assessment and setting of scopes	March 2015	Audit Plan - Reported to Those Charged With Governance March 2015
Update on progress and interim feedback	July 2015	Progress report - Reported to Those Charged With Governance July 2015
Value for money conclusion	January-September 2015	Ongoing
Year-end audit	July – September 2015	Report to those charged with governance Audit report (including our opinion on the financial statements and a conclusion as to whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources). Audit completion certificate Whole of Government Accounts Certification
Reporting	November 2015	Annual Audit Letter
Grant claims	January 2016	Report on the audit of grant claims

In addition to the above formal reporting and deliverables we will seek to provide practical business insights and updates on regulatory matters through our Sector Briefings.

Planning discussions

We will update our planning throughout the course of our audit.

Appendix 1: Audit Progress

Progress against key deliverables			
Key deliverable	Timetable in plan	Status	Comments
2013/14 grant claim report	January 2015	Completed	Reported to Those Charged With Governance January 2015
Fee Planning	April 2014	Completed	Reported to Chief Executive and Chairman of Audit Committee April 2014
Audit Plan	March 2015	Completed	Reported to Those Charged With Governance March 2015
Report to Those Charged with Governance	September 2015	Completed	Reported to Chief Executive and Chairman of Audit Committee July 2015
Audit Report (including opinion and VFM conclusion)	September 2015	not due	
Audit Certificate	September 2015	not due	
WGA Certificate	October 2015	not due	
Annual Audit Letter	October 2015	not due	
Report on the Audit of Grant Claims	January 2016	not due	

Ernst & Young LLP

Assurance | Tax | Transaction | Advisory

www.ey.com/uk

The UK firm Ernst & Young LLP is a limited liability partnership registered in England and Wales with registered number OC300001 and is a member firm of Ernst & Young Global Limited

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

© Ernst & Young LLP 2012. Published in the UK.
All rights reserved.