

External Audit Progress Update for Buckinghamshire County Council

Year ending 31 March 2016

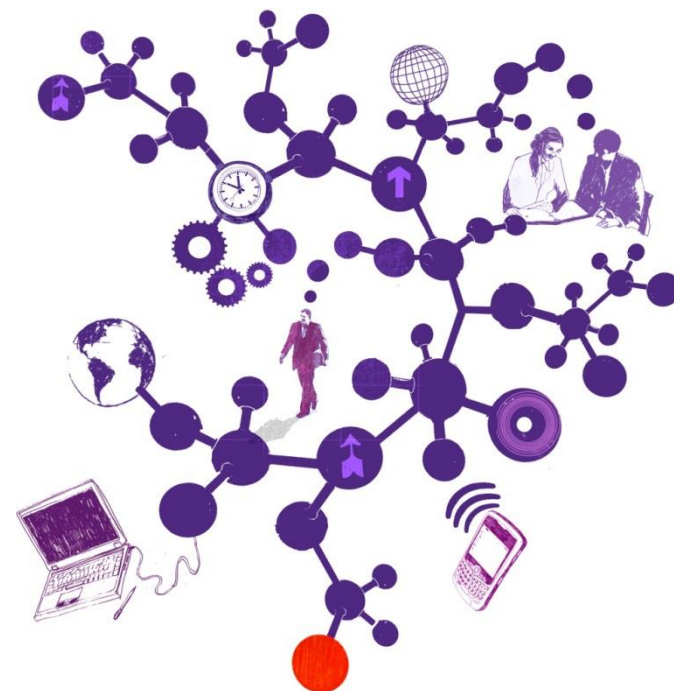
27 April 2016

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County Hall
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27 April 2016

Dear Members of the Regulatory and Audit Committee

External Audit Progress Update for Buckinghamshire County Council for the year ending 31 March 2016

This report updates you on the latest position in relation to completing our work for the 2015/16 financial year and, in particular, management's preparations for delivering a successful early close. Since we reported the Audit Plan to you on 3rd February we have undertaken a significant amount of early testing, representing an increase in early work from previous years, with a view to supporting your agenda of closing the audit early in 2015-16. This was in line with early discussions and the project plan agreed with the finance team.

Overall the visit was a success and a significant volume of early testing work was completed. Arrangements have worked well and significant progress was made toward 'de-risking' the early close ambition in July. Relationships with the finance team and management were constructive and helpful.

An element of risk remains. There are two areas where the finance team was not able to provide us with supporting evidence within the agreed timescale. Details of these areas are on the next page. These unresolved areas place additional pressure on the work required in June and July and increase the risk of not achieving the early close ambition. Importantly, it should be noted that if similar challenges were presented in June / July, these would prevent us from being able to conclude our work in accordance with the early close timetable.

To mitigate this risk we have held constructive meetings with the finance team and agreed a number of actions. The finance team have agreed to speak to departments within the Council who are historically slow in responding to their requests, and impress upon them the importance of the early close timetable. External organisations which the finance team relies on to provide information for the financial statements have been identified and contacted early. We have also agreed a meeting in order to clear some of the backlog of work ahead of the July visit, with a view to reducing the risk the backlog work may have on the early close timetable.

We are happy to answer further questions Members may have.

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Progress at April 2016 (continued)

Work	Planned date	Complete?	Comments
<p>Interim accounts audit</p> <p>Our interim fieldwork visit includes:</p> <ul style="list-style-type: none"> • updating our review of the control environment • updating our understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing for the first nine months of the financial year, specifically testing on: <ul style="list-style-type: none"> - employee remuneration (main payroll) - employee remuneration (schools payroll) - operating expenditure - fees, charges and other income - capital additions expenditure - existence of property, plant and equipment - journal entries • continuing risk assessments for our Value for Money conclusions. 	<p>18 January – 29 January 2016</p>	<p>See comments</p>	<p>The timetable of work agreed with the finance team in January is substantially complete with the exception of the following areas:</p> <ul style="list-style-type: none"> • Property, plant and equipment testing - our testing identified that a vehicle asset had been sold in 2013 and incorrectly left on the Fixed Asset Register. The finance team has investigated this and identified the cause of the issue identified. However, we are yet to be provided with evidence relating to the investigation performed and thus are not yet able to conclude this testing. • Main payroll testing – we are yet to receive responses from payroll to a number of queries that we raised in relation to this testing. A meeting has been arranged on 27/04/2016 to allow clearance of these issues.

Progress at April 2016 (continued)

Work	Planned date	Complete?	Comments
<p>2015-16 final accounts main audit</p> <p>Including:</p> <ul style="list-style-type: none"> • top-up testing of areas commenced at interim audit • complete audit work on other areas of the 2015-16 financial statements • proposed opinion on county and pension fund accounts • proposed Value for Money conclusion. 	June - July 2016	No – not yet due	We plan to start our final accounts audit visit in June 2016. We will report our findings from this work to the Regulatory and Audit Committee in July via our Audit Findings Report.
<p>Value for Money (VfM) conclusion</p> <p>The scope of our work to inform the 2015-16 VfM conclusions is established via risk assessments completed throughout the year and at the interim accounts visit.</p>	October 2015 – July 2016	No – not yet due	We outlined our VfM work in our Audit Plan presented to the February 2016 Regulatory and Audit Committee. Work is ongoing and we will report our findings to the Regulatory and Audit Committee in July via our Audit Findings Report.
<p>Whole of Government Accounts (WGA)</p> <p>Work on WGA will commence alongside the final accounts audit with a view of completing this by the end of July 2015.</p>	July 2016	No – not yet due	
<p>Teachers Pensions</p> <p>We will review the Teachers Pensions return after completion of the accounts audit with a view to issuing our conclusion by the end of September 2015</p>	September 2016	No – not yet due	



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