

South Bucks District Council

Audit Plan Update year ending 31 March 2015

27 August 2015

Ernst & Young LLP



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Councillor Malcolm Bradford
Chairman of the Audit Committee
South Bucks District Council
Capswood
Oxford Road
Denham
UB9 4LH

Dear Councillor Bradford

South Bucks District Council Audit Plan Update -2014/15

In our original Audit Plan of 2 March 2015, we said in relation to our risk assessment for the Value for Money conclusion:

“At this stage we have not identified any significant risks. We acknowledge the Council operates in a context of increasing financial pressure and we will keep our risk assessment under review throughout our audit and communicate to the Audit Committee any additional local risk-based work we may need to undertake. If there should be any changes to our risk assessment we will in the first instance discuss them with the Head of Finance.”

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.

We have discussed this risk with the Acting Chief Executive and Director of Resources.

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 £0.2m in 2016/17. The current medium term financial plan has a cumulative budget gap of £3.65m in 2017/18 (if new homes grant is not confirmed), with a savings gap of at least £0.4m per year from 2018/19.

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.



We will update the Audit Committee at its 24 September meeting on the outcome of the work we have done to address this risk.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Grindley', written in a cursive style.

Maria Grindley
Executive Director
For and behalf of Ernst & Young LLP
United Kingdom

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