

# Audit Progress Report

Wycombe District Council

15 June 2017

Ernst & Young LLP



Building a better  
working world



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

Tel: + 44 118 928 1100  
Fax: + 44 20 7951 1345  
ey.com

Wycombe District Council  
Queen Victoria Road  
High Wycombe  
Buckinghamshire  
HP11 1BB

30 May 2017

Dear Audit Committee Members

## **Audit Progress Report 2016/17**

We are pleased to attach our Audit Progress Report.

The report sets out the work we have completed since our last report to the Audit Committee. Its purpose is to provide the Committee with an overview of the stage we have reached in your 2016/17 audit and to ensure our audit is aligned with Committee expectations.

Our audit is undertaken in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.

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

Yours faithfully

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

## Contents

<b>1. Planned work .....</b>	<b>2</b>
<b>2. Timetable.....</b>	<b>4</b>
<b>Appendix A Audit Progress.....</b>	<b>5</b>

In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued ‘Statement of responsibilities of auditors and audited bodies 2015-16’. It is available from the Chief Executive of each audited body and via the PSAA website ([www.psa.co.uk](http://www.psa.co.uk))

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The ‘Terms of Appointment from 1 April 2015’ issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This progress update is prepared in the context of the Statement of responsibilities. It is addressed to the Audit Committee, and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

**Our Complaints Procedure –** If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute..

## 1. Planned work

### Fee Letter and Audit Plan

We issued our 2016/17 fee letter to the Council in April 2016 and our audit plan went to the Audit Committee on 12th Jan 2017.

### Financial Statements

We adopt a risk-based approach to the audit and, as part of our ongoing continuous planning we continue to meet key officers regularly to ensure the 2016/17 audit runs as smoothly as possible and to identify any risks at the earliest opportunity. This includes meetings with staff from the Council to discuss issues arising from the 2015/16 audit and to examine ways to enhance the audit process for the 2016/17 financial statements.

#### Interim visit

##### Systems

We completed our interim work to identify the Council's material income and expenditure systems and to walk through these systems in January 2017. Our walkthroughs highlighted the following issue:

- One of the credit notes selected for walkthrough did not match the invoice referenced on it. We were able to find the actual invoice and the credit note was legitimate. However this represented a potential weakness in the system.

We are able to rely on a controls approach for the accounts payable system. This will substantially reduce sample sizes at year end and help to increase audit efficiency.

#### Early Substantive Testing

We scheduled our visit to carry out early testing for three weeks in February and shared our working paper requirements for this visit with the Council in early January 2017.

Our main areas of focus were:

- the first nine months' income and expenditure testing;
- plant, property and equipment (PPE) additions and disposals testing;
- significant contracts review;
- accounting policies;
- exit packages; and
- month 9 starters and leavers testing.

We were unable to carry out the planned income and expenditure testing because of problems mapping the Council's data so that our data analytics team could get it into a usable form.

We are also still waiting for information on the PPE disposals sample selected.

## **Value for money**

We are required to consider whether the Council has 'proper arrangements' to secure economy, efficiency and effectiveness in the use of resources.

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- take informed decisions;
- deploy resources in a sustainable manner; and
- work with partners and other third parties.

Our work on the value for money conclusion is ongoing. We have no issues to bring to your attention at this stage.

## **Other Issues of Interest**

We will continue to send our sector briefings to members and discuss key issues with the Committee.

If members of the Audit Committee have any particular issues they want to discuss with us we would be pleased to do so.

## 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 deliverables we have agreed to provide to you through the 2016/17 Audit Committee cycle.

We will report to the Audit Committee throughout the audit as outlined below. This report summarises the progress made at this point. From time to time matters may arise that require immediate communication with the Audit Committee and we will discuss them with the Audit Committee Chairman as appropriate.

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

Audit phase	Timetable	Deliverables
High level planning:	<b>December 2016 to January 2017</b>	Fee Letter taken to the April 2016 Audit Committee
Risk assessment and setting of scopes	<b>January 2017</b>	Audit Plan
Testing routine processes and controls	<b>February 2017</b>	Progress report
Update on interim work completed to date	<b>June 2017</b>	Progress report
Value for money conclusion	<b>December 2016 to July 2017</b>	Ongoing
Year-end audit	<b>June-July 2017</b>	Report to those charged with governance  Audit reports (including our opinion on the financial statements and a conclusion as to whether the Council has proper arrangements for securing economy, efficiency and effectiveness in its use of resources).  Audit completion certificates
Reporting	<b>September 2017</b>	Annual Audit Letter



## Appendix A Audit Progress

### Progress against key deliverables

Key deliverable	Timetable in plan	Status	Comments
Fee Letter		Completed	Reported to Those Charged With Governance in April 2016
Audit Plan	Jan 2017	Completed	Reported to Those Charged With Governance on 12 January 2017
Progress Report to Those Charged with Governance	June 2017	Completed	To be presented to Those Charged With Governance on 15 June 2017
Audit Report (including opinion and vfm conclusion)	July 2017	Not due yet	
Audit Certificate	July 2017	Not due yet	
WGA Certificate	July 2017	Not due yet	
Annual Audit Letter	July 2017	Not due yet	

**EY** | Assurance | Tax | Transactions | Advisory

Ernst & Young LLP

© Ernst & Young LLP. Published in the UK.  
All Rights Reserved.

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.

[ey.com](http://ey.com)