

Oxfordshire County Council

Audit and Governance Committee

Progress Report

March 2017



Building a better
working world

Audit and Governance Committee
Oxfordshire County Council
County Hall
New Road
Oxford
OX1 1ND

8 March 2017

Dear Committee Member

Audit Progress Report

We are pleased to attach our Audit Progress Report. Its purpose is to provide the Committee with an overview of the progress that we have made with the work that we need to complete during the 2016/17 audit. This report is a key mechanism in ensuring that our audit is aligned with the Committee's service expectations. We will bring a progress report to each Committee except for those where we will bring the Audit Plan or the Audit Results Report.

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 understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Paul King
Executive Director
For and behalf of Ernst & Young LLP

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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.psaa.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 and Governance 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.

2016/17 audit

Audit Plan

We presented our 2016/17 updated Audit Plan to the Audit and Governance Committee in January 2017. We will keep the plan under review and will inform you of any changes to our risk assessments and planned work.

Meetings and progress to date

We continue to have regular meetings with key officers as part of our ongoing audit process.

These have proved beneficial as we have developed our understanding of the financial processes discussed a number of areas of the statements and have already selected our samples for substantive testing of income and expenditure transactions for the first 9 months of the financial year and shared these with the Council's finance team.

Our interim reviews have not identified any issues we wish to bring to your attention.

Our IT audit specialists are reviewing controls over the main financial systems run by the IBC and we expect them to conclude that we can rely on them.

We are also about to start our work assessing manual and IT controls in the Adult Social Care system.

If both of these pieces of work allow us to rely on controls then we will need to undertake less substantive testing than we carried out in 2015/16.

We have also doing early final accounts work on:

- changes to the way that the information in the Comprehensive Income & Expenditure Statement is presented;
- reviewing going concern;
- exit packages; and
- PPE additions and disposals.

We have completed our initial work on the LOBO objection and will be discussing our findings with officers shortly.

We have also held discussions with the Finance Team and Internal Audit on the Highways Network Assets to plan for issues that will impact in 2017/18.

Audit and Governance Committee

If members of the Audit and Governance Committee have any particular issues they want to discuss with us we would be pleased to discuss these with you.

Timetable

We set out below a timetable showing the key stages of the audit, including the value for money work, and the deliverables we will provide to you through the 2016/17 Audit and Governance Committee cycle.

Audit phase	Timetable	Audit Committee timetable	Deliverables
High level planning	April 2016	April 2016	Audit Fee Letter
Risk assessment and setting of scopes	December 2016	January 2017	Audit Plan
Testing routine processes and controls	January 2017 and March 2017	March 2017	Progress Report
Year-end audit	July 2017		
Completion of audit	August 2017	September 2017	Report to those charged with governance via the Audit Results Report Audit report (including our opinion on the financial statements; and our value for money conclusion). Audit completion certificate Reporting to the NAO on the Whole of Government Accounts return.
Conclusion of reporting	October 2017	November 2017	Annual Audit Letter

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