

Audit Progress Report and Sector Update

Devon County Council
Year ending 31 March 2018

16 May 2018



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Introduction



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This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

Members of the Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications. Click here to be directed to the website: www.grant-thornton.co.uk.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at 30 April 2018

Financial Statements Audit

We have produced a detailed audit plan, setting out our proposed approach to the audit of the Council's 2017/18 financial statements and we presented this to the Audit Committee in March 2018.

We commenced our interim audit at the end January 2018. Our interim fieldwork visit includes:

- Updated review of the Council's control environment
- Updated understanding of financial systems
- Review of Internal Audit reports on core financial systems
- Early work on emerging accounting issues e.g. the restatement of the Council's 2016/17 'telling the story' figures as a result of the Council's internal restructuring

The findings from the interim audit work were reported to the Audit Committee in March 2018

We are currently piloting a new software package that will facilitate our audit testing and make the audit process more efficient for ourselves and the Council.

The main final accounts audit is due to begin on the 18 June 2018 although we plan to undertake the capital accounting work earlier that month due to staffing changes within the Council.

The findings reported to you in the Audit Findings Report by the earlier deadline of July 2018.

We plan to complete the WGA work in early August 2018; the deadline for that is 31 August 2018.

Value for Money

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that: "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".

The guidance confirmed the overall criterion as: "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".

The three sub criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

We completed our initial risk assessment to determine our approach in 2017 /18 and reported this to you in our Audit Plan in March 2018.

The key risk identified related to the savings required over the medium term and the Council's plans to address these.

We will report our work in the Audit Findings Report and give our Value For Money Conclusion by the deadline in July 2018.

Other areas

Objections to the Council's financial statements

As reported in our 2016/17 Audit Findings Report, we received objections in respect of the Council's financial statements for both 2015/16 and 2016/17.

In March 2018 we briefed the Chair of the Audit Committee on the objection for 2015/16.

After extensive correspondence, the objector withdrew their 2016/17 objection in late March and on 29 March 2018 we issued our certificate of completion of the 2016/17 audit.

Audit Deliverables

2017/18 Deliverables	Planned Audit Committee Date	Status
Fee Letter Confirming audit fee for 2017/18.	April 2017	Complete
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2017/18 financial statements. The audit plan will also include our initial value for money risk assessment.	March 2018	Complete
Interim Audit Findings We reported the findings from our interim audit within our Progress Report.	March 2018	Complete
Audit Findings Report The Audit Findings Report will be reported to the July Audit Committee.	July 2018	Not yet due
Auditors Report This is the opinion on your financial statements, annual governance statement and value for money conclusion.	July 2018	Not yet due
Annual Audit Letter This letter communicates the key issues arising from our work. It is a public facing summary of the Audit Findings Report, with updates on matters that were not completed in July e.g. the Whole Of Government Accounts work. The deadline for submitting the Annual Audit Letter to Public Sector Audit Appointments Ltd (PSAA) is 31 October 2018. We will be pleased to share this with Members once it has been produced and will present it at the November Audit Committee.	November 2018	Not yet due



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