



South Oxfordshire District Council

Year ending 31 March 2013

Audit Progress Report

July 2013

Councillor Michael Welply- Chairman
Audit & Corporate Governance Committee
South Oxfordshire District Council
Crowmarsh Gifford
Oxfordshire,
OX10 8ED

25 June 2013

Dear Councillor Welply

Audit Progress Report - 2012/13

We are pleased to attach our Audit Progress Report.

This Progress Report summarises the work we have undertaken to date since our appointment as your auditor on 1 September 2012. The purpose of this report is to provide the Audit and Corporate Governance Committee with an overview of the stage we have reached in your 2012/13 audit and ensure our audit is aligned with the Committee's service expectations.

Our audit will be undertaken in accordance with the requirements of the Audit Commission Act 1998, the Code of Audit Practice, the Audit Commission Standing Guidance, auditing standards and other professional requirements.

We issued our Audit Plan to the Audit & Corporate Governance Committee on 19 March 2013. Since then we have completed our walkthroughs and started our tests of control and have continued to update our risk assessment. There are no new issues that we are required to communicate to you as a result of this work.

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

Maria Grindley
Director
For and behalf of Ernst & Young LLP
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1. Work completed

Meetings

We have met with members of the senior management team and key members of staff as part of our ongoing audit process:

- ▶ March 2013 - Meeting with Strategic Director & Chief Finance Officer and Head of Finance to discuss engagement team, audit plan and our audit approach.
- ▶ Jan 2012 -Feb 2012 - meetings with key finance staff to discuss and significant issues/risks around the accounts preparation process.
- ▶ Meeting with the Chief Executive and Strategic Director & Chief Finance Officer on 9 May 2013 to discuss issues facing the Council, and to update them on progress with the audit.

Completion of walkthroughs and tests of control

We have completed our walkthroughs and some test of control, placing reliance on the work of internal audit where possible.

At this stage, our work has not identified any issues that we need to bring to your attention as those charged with governance.

Value for money assessment

We are in the process of reviewing our initial risk assessment for our value for money work against the Audit Commission's specified criteria and areas of focus. Once we have completed our risk assessment we will communicate to you any specific risks we have identified and any additional local risk based work we may need to undertake as a result.

Grant claim certification

We have not yet started any work on the certification of your claims. We plan to start the audit of your housing benefit claim in September 2013 and your NNDR claim in August 2013

Additional work

The audit plan discussed with you on 20 March 2013 identified one possible area of additional work to support our opinion, namely the introduction of new fixed asset system.

Officers have confirmed that the new fixed asset system will not be introduced for the 2012/13 accounts, and this is no longer required.

However, officers have now asked us to review treatment of interest and early repayments on unit trusts going back to 2004/05. There may be some additional fee implications from this work, and we will discuss this with your officers as the work progresses.

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 whole of government accounts, and the deliverables we have agreed to provide to you through the 2012/13 Audit and Corporate Governance Committee cycle.

We will provide formal reports to the Audit and Corporate Governance Committee throughout our audit process as outlined below. Where required, we will issue an Interim Report, summarising the findings from our audit at that stage. From time to time matters may arise that require immediate communication with the Audit and Governance Committee and we will discuss them with the Audit and Corporate Governance Committee Chair as appropriate.

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

Audit phase	Timetable	Deliverables
High level planning:	November	Fee Letter
Risk assessment and setting of scopes	November/ January	
Testing of routine processes and controls	January/April	Audit Plan
Value for money conclusion	March - September	
Year-end audit	July – September	Report to those charged with governance Audit report (including our opinion on the financial statements and a conclusion as to whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources). Audit completion certificate Whole of Government Accounts Certification
Reporting	October	Annual Audit Letter
Grant claims	December	Report on the audit of grant claims

In addition to the above formal reporting and deliverables we will seek to provide practical business insights and updates on regulatory matters through our Sector Briefings.

Ongoing planning discussions

We concluded our planning discussions during January and February 2013. We have discussed and shared our 2012/13 Audit Plan with the Executive and officers, and it was discussed with the Audit and Corporate Governance Committee in March 2013.

Appendix 1: Audit Progress

Progress against key deliverables

Key deliverable	Timetable in plan	Status	Comments
Fee Letter	November 2013	Completed	Reported to Audit & Governance Committee January 30 2013
Audit Plan	March/April 2013	Completed	Reported to Audit & Governance Committee March 20 th 2013
Report to Those Charged with Governance	September 2013		
Audit Report (including opinion and vfm conclusion)	September 2013		
Audit Certificate	September 2013		
WGA Certificate	September 2013		
Annual Audit Letter	October 2013		

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