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External audit progress report

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Lincolnshire County Council

January 2015

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

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Progress report

This document provides the Audit Committee with a high level overview on our external audit planning.

At the end of each stage of the audit we issue certain deliverables, including reports and opinions. A summary of progress against these deliverables is provided in Appendix 1 of this report.

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Audit Plan 2014/15

We are updating our risk assessments and completing our detailed planning to determine our audit plans for the Authority and the Pension Fund.

In line with auditing standards, we will present our detailed annual plan to the Audit Committee in March 2015. This will highlight the key risks to our audit at the planning stage. A significant area of focus will continue to be the work required to give the audit opinion on the accounts for the Authority and Pension Fund. Our plan will include our response to any issues identified through our risk assessment regarding:

- the accounting requirements for 2014/15, including relevant changes to the CIPFA guidance;
- the closure of accounts process generally and our working paper requirements, including information required from the SAP system; and
- your plans for managing the changes to your pensions administration arrangements.

We will also carry out our VFM conclusion risk assessment and use the updated guidance issued by the Audit Commission in October 2014. The scope of the assessment is consistent with that in previous years and will focus on your arrangements for securing financial resilience and ensuring economy, efficiency and effectiveness in your use of resources. This will include your arrangements for:

- managing the risks around the changes to your corporate support services and the implementation of the Agresso financial systems; and
- concluding your fundamental budget review and shaping your medium term financial strategy.

We will discuss any specific significant risks to the VFM conclusion with Managers and highlight our planned response and any additional work required.

We will continue to liaise with Internal Audit, and consider your assurance frameworks and your response to issues you identify throughout the year. We review your 2014/15 Annual Governance Statement for consistency with our understanding of your arrangements and issues identified.

There are no audit concerns that we need to raise with the Audit Committee in relation to the audit of the accounts or the VFM conclusion from the work we have carried out to date.

Audit fee update

At this stage the proposed audit fee remains the same as that notified to the Authority in April 2014, that is £143,100 for the Council's audit and £24,350 for the Pension Fund. We will update the Audit Committee in March 2015 and confirm the proposed fee in our Audit Plan.

Other work

In December 2014 we issued our Independent Accountant's 'Reasonableness Assurance Report' in relation to the Teachers' Pensions 2013/14 return. This work was agreed as a separate audit as the return no longer falls within the Audit Commission's Grant Certification regime. The fee for this work was £3,000.



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Appendix

Deliverable	Purpose	Timing	Status
Planning			
Fee letter	Communicate indicative fee for the audit year	April 2014	Issued April 2014
External audit plan	Outline our audit strategy and planned approach Identify areas of audit focus and planned procedures	February 2015 (for March 2015 Audit Committee)	TBC
Interim			
Interim progress report	Details and resolution of control and process issues. Identify improvements required prior to the issue of the draft financial statements and the year-end audit. Initial VFM assessment on the Council's arrangements for securing value for money in the use of its resources.	April 2015	TBC
Substantive procedures			
Report to those charged with governance (ISA+260 report)	Details the resolution of key audit issues. Communication of adjusted and unadjusted audit differences. Performance improvement recommendations identified during our audit. Commentary on the Council's value for money arrangements.	September 2015	TBC
Completion			
Auditor's report	Providing an opinion on your accounts (including the Annual Governance Statement). Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the VFM conclusion).	September 2015	TBC
WGA	Concluding on the Whole of Government Accounts consolidation pack in accordance with guidance issued by the National Audit Office.	September 2015	TBC
Annual audit letter	Summarise the outcomes and the key issues arising from our audit work for the year.	November 2015	TBC



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