



# LONDON BOROUGH OF ENFIELD

## Audit Progress Report

31 December 2017

# INTRODUCTION

## Background

This report is intended to provide the Audit Committee with an outline of our progress against our proposed work for 2016/17.

The Local Audit and Accountability Act 2014 makes the Comptroller and Auditor General for the National Audit Office responsible for the preparation, publication and maintenance of the Code of Audit Practice.

The Code sets out what local auditors are required to do to fulfil their statutory responsibilities under the Act:

### Audit of the financial statements

- to be satisfied that the accounts present a true and fair view, and comply with the requirements of the enactments that apply to them
- to be satisfied that proper practices have been observed in the preparation of the accounts

### Value for money arrangements

- to be satisfied that the organisation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources

### Reporting

- issue an audit plan that sets out how the auditor intends to carry out their duties
- report the findings of the audit to those charged with governance
- to express an opinion on the accounts
- the opinion on the organisation's arrangements to secure economy, efficiency and effectiveness in the use of resources
- to certify the completion of the audit
- issue an annual audit letter highlighting the results of the auditor's work.




### Other assurance work

We are also undertaking work to provide grant certification assurance on the Housing Benefit Subsidy Claim and other grant claims and returns required by the Council.

## Progress to date

We have assessed whether the arrangements put in place by the Council will allow us to complete our work by the expected deadlines and whether there are any issues that are likely to have a significant impact on our ability to provide unmodified audit reports and opinions.

This is included as a 'RAG' assessment in the report.




ASSESSMENT	EXPLANATION
RED 	Unlikely to be able to meet reporting deadlines, significant concerns over governance or finance, or expected modification of audit report or opinion.
AMBER 	Some concerns around meeting reporting deadlines, some concerns over governance or finance, or potential risk of modification of audit report or opinion.
GREEN 	On target to meet deadlines and no current concerns over governance or finance.
TBC	Work not yet started or sufficiently progressed to include a 'RAG' assessment

## Tracking progress

In order to allow you to track our progress, where work has been completed and previously reported to you we have 'greyed' out the text.

The key completion and reporting dates are also noted in the following tables.



# AUDIT PROGRESS 2016/17

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
<b>PLANNING</b>				
Planning letter	We are required to provide you with a planning letter setting out the scope of the audit for the year and the proposed fees set by Public Sector Audit Appointments Limited (PSAA).	<p>We have issued our planning letter and the proposed fees for the NAO Code audit are £171,564.</p> <p>We estimate that the fees for the grant certification review of the Housing Benefit Subsidy Claim will be £30,533.</p>	<p><b>Planning Letter</b></p> <p>Issued April 2016.</p>	
Audit plan	We are required to report to you the results of our detailed audit planning and the proposed audit response to significant audit risks ahead of commencement of the audit work.	We have undertaken our preliminary planning work and issued our audit plan.	<p>Audit Plan</p> <p>Reported to the Audit and Risk Management Committee on 7 March 2017.</p>	
<b>FINANCIAL STATEMENTS</b>				
Interim visit	Audit of the significant financial systems that support the financial statements to be completed before draft accounts are prepared.	<p>Review and testing of the operating effectiveness of internal controls operated by the Council undertaken is currently in progress.</p> <p>Initial audit testing on transactions was also undertaken at this visit.</p>	<p><b>Significant deficiencies in internal controls</b></p> <p>No significant deficiencies in internal controls identified through our audit work to date.</p> <p>All other observations on internal controls were reported in our Final Audit Report to the Audit and Risk Management Committee on 28 September 2017.</p>	




# AUDIT PROGRESS 2016/17


AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
<b>FINANCIAL STATEMENTS (continued)</b>				
Final audit visit	<p>Audit of the draft financial statements to determine whether these give a true and fair view and have been prepared in accordance with the CIPFA's Code of Practice.</p> <p>The audit also includes a review of the annual governance statement.</p>	Final audit testing of the financial statements is completed.	<p><b>Final Audit Report</b></p> <p>The findings of our audit on the financial statements were reported to the Audit and Risk Management Committee on 28 September.</p> <p><b>Auditor's report</b></p> <p>The unmodified audit opinion on the financial statements was issued on 24 October.</p>	<p><b>R</b></p> <p><b>Deadline</b></p> <p>30 September 2017</p>
Whole of Government Account (WGA) schedules audit	We are required to provide an opinion whether the Council's WGA consolidation pack is consistent with the financial statements.	<p>Technical problems with the Data Collection Tool consolidation pack provided by HMT for the Council to complete have caused delays to the completion and submission of the tool. This, combined with the delays to work on the main financial statements, mean that we were unable to complete the required audit procedures in advance of the deadline that has been brought forward this year.</p>	<p><b>Opinion on the WGA consolidation schedules</b></p> <p>The opinion on the consistency of the consolidation pack will be issued following the completion of the required audit procedures.</p>	<p><b>R</b></p> <p><b>Deadline</b></p> <p>30 September 2017</p>

# AUDIT PROGRESS 2016/17

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
<b>USE OF RESOURCES</b>				
Review of arrangements to secure economy, efficiency and effectiveness	<p>The NAO has published revised guidance (AGN 03) for the scope of the work on value for money arrangements for 2016/17 and supporting information for Councils.</p> <p>We are required to be satisfied that the organisation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p>	Review of the Council's arrangements, financial outturn and updates to the 2017/18 budget and medium term financial planning, arrangements for regeneration projects and Enfield 2017 are completed.	<p><b>Final Audit Report</b></p> <p>The findings of our review of use of resources was reported to the Audit and Risk Management Committee on 28 September.</p> <p><b>Auditor's report</b></p> <p>The unmodified conclusion on use of resources was included in the auditor's report issued on 24 October.</p>	 <p><b>Deadline</b></p> <p>30 September 2017</p>
<b>GRANTS AND RETURNS</b>				
Review of the Housing Benefit Subsidy claim	To review and submit the Housing Benefit Subsidy grant claim in accordance with the PSAA HBCOUNT arrangements by 30 November 2017.	Work completed.	Housing Benefit Subsidy grant claim was audited and submitted by 30 November 2017 deadline.	 <p><b>Deadline</b></p> <p>30 November 2017</p>

# AUDIT PROGRESS 2016/17

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
<b>REPORTING</b>				
Audit certificate	To certify the completion of the audit at the point that the auditor's responsibilities in respect of the audit of the period covered by the certificate have been discharged.	To be issued on completion of the audit of the financial statements, WGA, and resolution of the objections to the accounts.	<b>Auditor certificate</b> The audit certificate to close the audit is unable to be issued until the completion of our audit work on the WGA and the resolution of the objections to the accounts.	 <b>Deadline</b> 30 September 2017
Annual audit letter	Public-facing summary of audit work and key conclusions for the year.	Annual Audit Letter to be drafted upon completion of audit work.	<b>Annual audit letter</b> The key findings from our audit were reported in the Annual Audit Letter to the Audit and Risk Management Committee on 1 November 2017.	 <b>Deadline</b> 31 October 2017
Grants report	Summary of our certification work completed on 31 March 2017 claims, to be issued by February 2018.	Work completed.	<b>Grants Report</b> The key findings from our work are being reported to the Audit and Risk Management Committee on 11 January 2018.	 <b>Deadline</b> 28 February 2018



The matters raised in our report prepared in connection with the audit are those we believe should be brought to your attention. They do not purport to be a complete record of all matters arising. This report is prepared solely for the use of the organisation and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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