



LONDON BOROUGH OF ENFIELD

Audit Progress Report

11 June 2019

INTRODUCTION

Background

This report is intended to provide the Audit Committee with an outline of our progress against our proposed work for 2018/19.

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 CCG 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

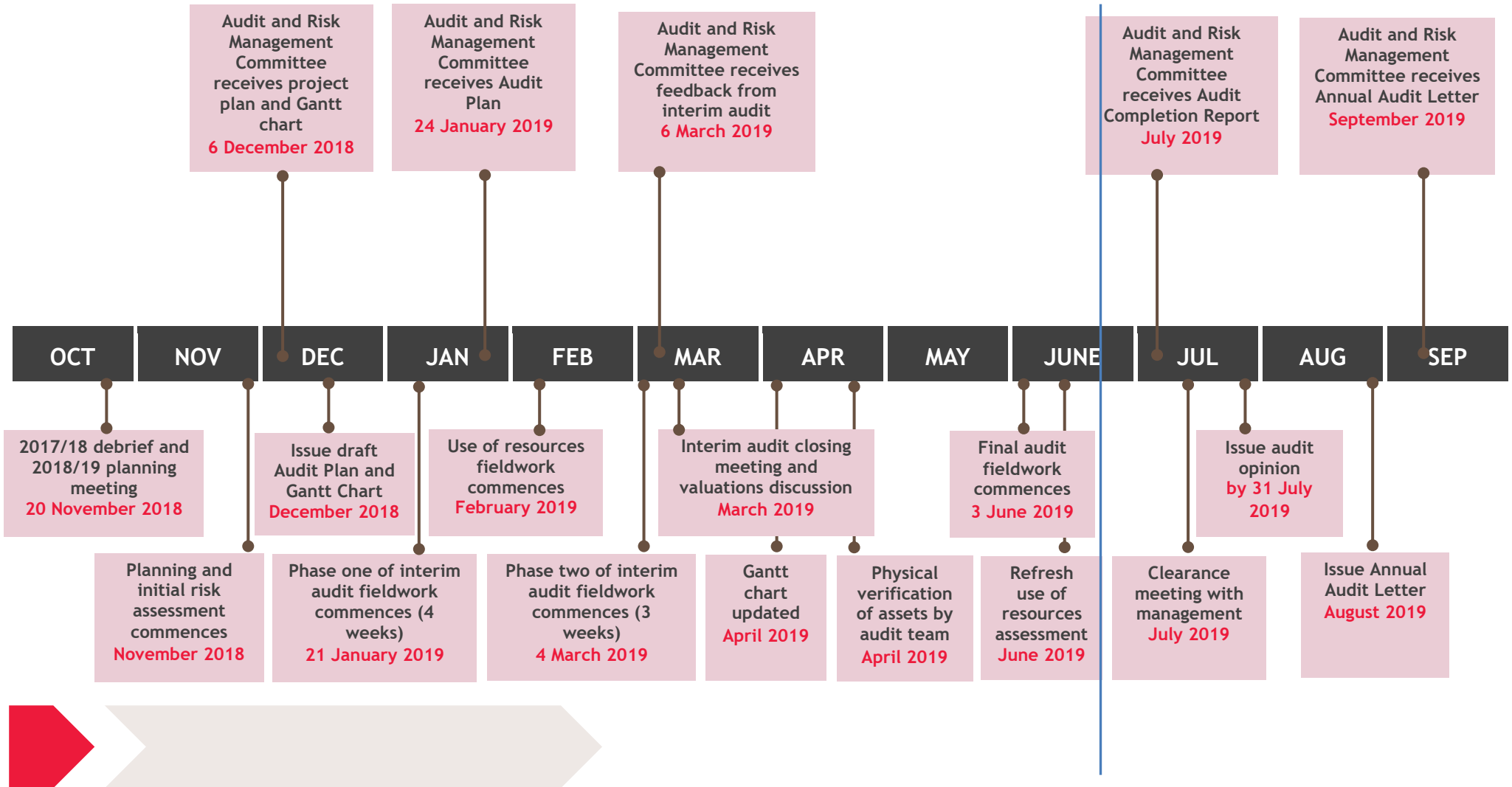
Tracking progress

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 2018/19

CONTINUOUS COMMUNICATIONS



AUDIT PROGRESS 2018/19

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
PLANNING				
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).	We have issued our planning letter and the proposed fees for the NAO Code audit are £132,104.	Planning Letter Issued April 2018.	
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.	Audit Plan Reported to the Audit and Risk Management Committee on 24 January 2019.	
FINANCIAL STATEMENTS				
Interim visit	Audit of the significant financial systems that support the financial statements to be completed before draft accounts are prepared.	Review and testing of the operating effectiveness of internal controls operated by the Council undertaken is currently being finalised. Initial audit testing on transactions is also being undertaken at this visit.	Significant deficiencies in internal controls No significant deficiencies in internal controls identified through our audit work to date. All other observations on internal controls will be reported in our Final Audit Report to the Audit and Risk Management Committee in July 2019.	
Final audit visit	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. The audit also includes a review of the annual governance statement.	Final audit testing of the financial statements commenced onsite at the Council from 3 June 2019. An incomplete version of the draft accounts was received on the statutory deadline of 31 May 2019. These did not include the group accounts. Draft group accounts were received on 10 June 2019. This also included adjustments to the restated CIES, which was previously audited	Final Audit Report The findings of our audit on the financial statements will be reported to the Audit and Risk Management Committee in July ahead of the deadline of 31 July 2019. Auditor's report The opinion on the financial statements will be included in the auditor's report and issued following the Audit and Risk Management Committee's approval of the financial statements.	 Deadline 31 July 2019


AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
------------	-------	----------	-------------------	-----

during our interim audit, but apparently based on inaccurate preparation information.


There are a number of documents which were requested as part of our interim audit and we have not received yet, this includes evidence for our payments authorisation test of controls, title references for properties and outstanding queries on our IT general controls sample testing.


There are a number of key working papers which we requested to be available at the start of the final audit and have not been provided; this includes key explanations for analytical review movements, bank reconciliations, challenge of valuation movements calculated by Strutt and Parker for the HRA, final valuation reports from Knight Frank and Spencer Craig.

AUDIT PROGRESS 2018/19

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
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.	Review to be undertaken during the financial statements audit at the final audit visit.	Opinion on the WGA consolidation schedules The opinion on the consistency of the consolidation pack will be issued following the Audit and Risk Management Committee's approval of the financial statements.	TBC 31 August 2019 Deadline TBC
USE OF RESOURCES				
Review of arrangements to secure economy, efficiency and effectiveness	We are required to be satisfied that the organisation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.	Strategic liaison meeting held with the Chief Executive, Executive Director of Resources and Director of Finance on 3 June 2019. We are in the process of updating our assessment of the Council's arrangements, financial outturn and updates to the 2019/20 budget, medium term financial and Meridian Water project.	Final Audit Report The findings of our review of use of resources will be reported to the Audit and Risk Management Committee in July ahead of the deadline of 31 July 2019. Auditor's report The conclusion on use of resources will be included in the auditor's report and will be issued following the Audit and Risk Management Committee's approval of the financial statements.	 Deadline 31 July 2019

AUDIT PROGRESS 2018/19

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	RAG
REPORTING				
Audit certificate	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 and review of the arrangements to secure economy, efficiency and effectiveness.	Auditor's report The audit certificate to close the audit for the year will be included in the auditor's report.	 Deadline 31 July 2019
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.	Annual Audit Letter The key findings from our audit will be reported in the annual audit letter.	Deadline TBC



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.

BDO LLP is a corporate establishment under the Limited Liability Partnership Act 2000 and a UK Member Firm of BDO International. BDO Northern Ireland, a separate partnership, operates under a licence agreement. BDO LLP and BDO Northern Ireland are both separately authorised and regulated by the Financial Conduct Authority to conduct investment business.

Copyright ©2019 BDO LLP. All rights reserved.

www.bdo.co.uk

