

External Audit Progress Update – 2015/16 Audit

Prepared for Aberdeen City Council Audit, Risk and Scrutiny Committee
June 2016

Purpose of this report

1. This report aims to provide an update of progress with the external audit of the 2015/16 financial year. The intention is to provide the Audit, Risk and Scrutiny Committee (ARSC) with an update at each meeting. Our roles and responsibilities were set out in our 2015/16 annual audit plan which was considered by the Committee in March 2016. A significant element of our work relates to gathering the assurances required to support our opinion on the council's financial statements.

Summary of planned audit work for 2015/16

2. For 2015/16, our planned work includes:
 - an audit of the financial statements and provision of an opinion on whether:
 - they give a true and fair view of the financial position of Aberdeen City Council as at 31 March 2016 and its income and expenditure for the year then ended
 - the accounts have been properly prepared in accordance with the Local Government (Scotland) Act 1973 and the 2015 Code of Practice on Local Authority Accounting in the United Kingdom (the Code)
 - an audit of the financial statements and provision of an opinion for the charitable trusts where the local authority is the sole trustee
 - reporting the findings of the shared risk assessment process in a Local Scrutiny Plan. This was developed following the Local Area Network's (LAN) consideration of new evidence in terms of its impact on existing risk assessments and identifying scrutiny activity for the council during 2016/17

- a review and assessment of Aberdeen City Council's governance and performance arrangements in a number of key areas including: internal controls; the adequacy of internal audit; arrangements for Statutory Performance Indicators; national study follow-up work; and a follow up review of the ICT environment
- provision of an opinion on a number of grant claims and returns, including Whole of Government Accounts
- review of National Fraud Initiative arrangements

Progress of 2015/16 audit work – planned audit outputs

3. In agreeing our fee for the audit with the Head of Finance, we agreed to deliver the following outputs in relation to the 2015/16 audit. A summary of progress against our plans is set out below.

Planned outputs	Target date for ARSC	Actual date	Complete	Comments
Governance				
Annual Audit Plan including agreement of our fee for the audit	9 March 2016	9 March 2016	Yes	Considered by Audit, Risk and Scrutiny Committee on 9 March 2016
Local Scrutiny Plan 2016/17	9 March 2016	9 March 2016	Yes	Considered by Audit, Risk and Scrutiny Committee on 9 March 2016 with an update on 28 April 2016
Interim report on 2015/16 audit – covers internal controls and ALEOs	27 June 2016	27 June 2016	Yes	Included in agenda papers for committee meeting on 27 June 2016

Planned outputs	Target date for ARSC	Actual date	Complete	Comments
Managing Capital Projects – follow up activity	27 September 2016			
Financial statements				
Annual report to Members and the Controller of Audit (including ISA260)	27 September 2016			
Independent auditor's report on the financial statements	27 September 2016			
Audit opinion on charitable trusts	27 September 2016			

Progress of 2015/16 audit work – returns

7. We are required to certify/submit the undernoted returns to Audit Scotland and/or the Scottish Government but we do not routinely bring these documents to the committee. We will however use our discretion when concluding these pieces of work to highlight areas of interest and /or concern for the committee's attention. Such matters would be reported either through this regular progress report and/or our annual audit report:

Planned outputs/Related activity	Target date for submission	Actual date	Complete	Comments
Financial Statements				
<p>Audit opinion on Whole of Government Accounts (WGA)</p> <p>The audited WGA pack is submitted to the Scottish Government which transfers it to HM Treasury for upload to the system which brings together the consolidation of all UK local government accounts.</p> <p>The WGA pack is a series of spreadsheets completed by Finance using the council's group accounts. It requires a detailed list of inter-public sector transactions and debtor and creditor balances to be identified which is used in the consolidation process to eliminate corresponding balances.</p>	30 September 2016			
Performance Audit				
Workforce planning – follow up of Audit Scotland's national performance audit report <i>Scotland's Public Sector Workforce</i> , published in November 2013.	30 June 2016	Target dated expected to be achieved		Reference included in our Interim Report included in the agenda papers for the June 2016 committee meeting.

Planned outputs/Related activity		Target date for submission	Actual date	Complete	Comments
Grants					
Education Maintenance Allowances		31 July 2016			
Criminal Justice Services Returns		30 September 2016			
Non Domestic Rates Income return		7 October 2016			
Housing Benefit and Council Tax Benefit Subsidy		30 November 2016			

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