

Audit Progress Report and Sector Update

Kent County Council
Year ending 31 March 2019

23 January 2019



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Introduction



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This paper provides the Governance and Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes:

- a summary of emerging national issues and developments that may be relevant to you as a local authority.

Members of the Governance and Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications www.grant-thornton.co.uk

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.

Progress at January 2019

Financial Statements Audit

We have started our planning for the 2018/19 financial statements audit and we carried out our preliminary visits in December 2018 to update our understanding of the systems and control environment in place around the main transactional cycles. We are due to carry out our early testing audit visit in the week commencing 21 January and in early March 2019. These visits will include:

- Review of internal audit reports on core systems;
- Early work on emerging accounting issues (such as the impact of changes in IFRSs), significant estimates and judgements; and
- Early substantive testing of operating expenditure, employee remuneration, grants and other contributions, revenues, manual journals and the existence / ownership of property, plant and equipment.

We will report any findings from our interim audit to you at the April 2019 Governance and Audit Committee alongside presentation of our 2018/19 audit plan.

The deadline for the completion of the 2018/19 audit and issue of our audit opinion is 31 July 2019. We discuss our plan and timetable with officers. The final on site fieldwork will be in early June and we will report our findings in our Audit Findings Report at the July Governance and Audit Committee.

Value for Money Audit

The scope of our work is set out in the guidance issued by the National Audit Office. The Code requires auditors to satisfy themselves that “The Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.”

The guidance confirmed the overall criteria as “in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.”

The three sub-criteria for assessment to be able to give a conclusion overall are:

- Informed decision making
- Sustainable resource deployment
- Working with partners and other third parties

We will make our initial risk assessment to determine our approach in January and March and report this to you as part of our Audit Planning Report at the April 2019 Governance and Audit Committee.

We will report our findings in our Audit Findings Report at the July Governance and Audit Committee.

Other areas

Meetings

We hold monthly meetings with key Finance Officers regarding emerging developments and to ensure the audit process is smooth and effective. We also hold quarterly liaison meetings with the Corporate Director of Finance to discuss the Council's strategic priorities and plans.

Events

We provide a range of workshops, along with network events for members and publications to support the Council. The next event will be the Local Government Chief Accountants Workshop which will be held on 5 February. We will provide details of further planned workshops as the dates are finalised.

Audit Deliverables

2018/19 Deliverables	Planned Date	Status
Fee Letter Confirming audit fee for 2018/19.	April 2018	Complete
Accounts Audit Plan We are required to issue a detailed accounts audit plan to the Governance and Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2018-19 financial statements.	April 2019	Not yet due
Interim Audit Findings We will report to you the findings from our interim audit and our initial value for money risk assessment within our Progress Report.	April 2019	Not yet due
Audit Findings Report The Audit Findings Report will be reported to the July Governance and Audit Committee.	July 2019	Not yet due
Auditors Report This is the opinion on your financial statement, annual governance statement and value for money conclusion.	July 2019	Not yet due
Annual Audit Letter This letter communicates the key issues arising from our work.	August 2019	Not yet due
Annual Certification Letter This letter reports any matters arising from our certification work carried out under the PSAA contract.	December 2019	Not yet due

