

## London Borough of Hillingdon

### Detailed Work Plan – as agreed with officers for 2016/17

#### EY Audit Schedule and Timings:

##### 1. Planning:

In line with the requirements of the ISA's we need to thoroughly plan the FY 16/17 audit. This includes detailed risk assessment and review of cumulative audit knowledge as well as latest information and reports. Our planning was largely completed off-site and involved us updating our understanding from the prior year with a view to delivering our Audit Strategy via our Audit Plan which will be presented to the March 2017 Audit Committee. We have relied on information produced by the Council including cabinet reports and committee papers; we have also held planning meetings with management and drawn information from these preliminary discussions with management and internal audit.

We set out our intentions at a planning meeting held in January 2017 with key officers where an earlier version of this document which was circulated prior to the meeting was discussed in detail.

##### 2. Interim Audit:

We communicated our initial interim client assistance schedule in December 2016; this set out in more detail the different tasks we intended to carry out. The Chief Accountant originally noted that not all tasks could be completed and we then scheduled a meeting for Thursday 12<sup>th</sup> January 2017 to discuss this further. This meeting was attended by key officers as well as the new EY Manager and the Senior from EY. The schedule below has been updated accordingly to reflect the outcome of that meeting and the current status and timelines of the work being undertaken.

We agreed with key officers as part of our planning work that we would complete our interim audit visit during the period 30<sup>th</sup> Jan to 10<sup>th</sup> March. To date we have made progress on a number of key tasks as shown below and we will update the Audit Committee at its meeting on 16 March on the tasks that are ongoing at the time this paper was drafted.

Period	Task	Deliverable/outcome
30/01-06/02	Walkthroughs.	Completed documentation of key financial statement processes.
06/02-10/03	Month 9 sample testing – Income & Expenditure testing including Property, Plant and Equipment: additions and disposals.	Completing testing at M9. Progress has been communicated with key officers through meetings. Update to TCWG at Audit Committee on any significant findings.
to 24/02	Controls testing (Information Technology Risk Assessment). EY IT specialists (ITRA) to liaise with key client contacts to document and test specific aspects of the IT control environment.	Feedback to key officers on results of testing through progress meetings. Update to TCWG at Audit Committee on any significant findings.
to 10/03	Other tasks that can be performed before closedown include a number of examples such as: Significant contract review, Starters and Leavers, Exit Packages,	Feedback to key officers on results of testing through progress meetings. Update to TCWG at Audit Committee on any

	Accounting policies review and disclosure checklist.  We produced a list of possible tasks for completion on our interim Client Assistance Schedule and discussed with key officers at the update meeting held on 12 <sup>th</sup> January 2017. which of these were feasible from the client's perspective.	significant findings.
to 10/03	Value for Money Planning	Feedback to key officers and Audit Plan presented to Audit Committee.

### 3. Year End Audit:

#### Main audit

We have agreed with officers as part of our planning work that we would complete the main areas of work involved in our final visit during the period 24<sup>th</sup> July to 25<sup>th</sup> August. There will be audit team members on site between these dates. During this time we will carry out the remainder of our year-end tasks including top up control testing and substantive testing from M9. We have provided further detail on a week by week basis of the tasks that we will complete whilst on site. This schedule is included as a separate item as part of the Audit Committee papers from EY.

This on site visit will be followed by a week of final review of the work, the financial statements and report drafting. We have set our timetable and planned resources such that the audit will be complete by end of August leaving sufficient time for year end deliverables before the end of September.

Period	Task	Deliverable/outcome
To 31/08	<p>Year-end audit tasks including the following – this list is not exhaustive:</p> <ol style="list-style-type: none"> <li>1) Top Up Testing of those areas tested above at Month 9;</li> <li>2) Value for Money Conclusion re-visit;</li> <li>3) Significant year-end audit tasks including (but not limited to): <ul style="list-style-type: none"> <li>- Review of Annual Governance Statement;</li> <li>- Review of the Explanatory Foreword;</li> <li>- Work to address significant risks;</li> <li>- Journals Testing;</li> <li>- Balance Sheet Testing;</li> </ul> </li> </ol>	<p>A number of areas are started at the beginning of our visit but progress on each area will be dependent on how much each auditor can complete in the time on site and officer availability. We work closely with key officers to keep them informed on availability which helps us prioritise our work.</p> <p>Findings to be discussed with key officers at regular progress meetings and errors will be reported in the Audit Results Report to be presented to TCWG in September 2017</p>

	<ul style="list-style-type: none"> <li>- Review of External Confirmations;</li> <li>- Expenditure Funding Analysis Agreement;</li> <li>- Whole of Government Accounts;</li> <li>- Testing all relevant disclosure notes;</li> <li>- HRA and Collection Fund Testing.</li> </ul>	
Two weeks before 27 <sup>th</sup> September Audit Committee.	<p>Audit papers required two weeks before the committee. To be sent to key officers for review before being presented to TCWG at the September audit committee.</p> <p>Calendar invites to discuss contents with key officers.</p>	Draft audit report and opinion.

## Pension fund audit

Taking on board officers' suggestions to minimise disruption, we have endeavoured to be on site at the same time as the main audit team.

Therefore we completed the planning and interim audit work during the same period as the main audit, albeit the pension fund audit visit was shorter. We completed this work on site from 30<sup>th</sup> Jan to 10<sup>th</sup> February.

Following this visit we had completed planning and walkthroughs as well as any other tasks that were determined as suitable for early delivery after discussions with officers.

The Pension Fund audit plan was presented to officers with the main audit plan on 20<sup>th</sup> February 2017 for review and comments. The audit plan includes the significant risks that we have identified as part of the Pension Fund planning.

For the year-end audit we plan to be on site for 3 weeks from w/c 24/07 to w/c 07/08. During this time we will carry out our year-end tasks along with our substantive procedures and any remaining work from our interim visit.

We have set our timetable and planned resources such that the audit will be complete by end of August leaving time for year end deliverables before the end of September.

Period	Task	Deliverable/outcome
24/07/2017 to 11/08/2017	<p>Year-end audit tasks including (but not limited to):</p> <ol style="list-style-type: none"> <li>1) Investments testing including valuation, purchases and sales;</li> <li>2) Testing over the transfer of investment portfolios;</li> <li>3) Testing over the transfer of investment manager;</li> </ol>	Findings to be discussed with key officers at regular progress meetings and errors will be reported in the Audit Results Report to be presented to TCWG in September 2017.
Review and completion steps to 31 <sup>st</sup>		

August.	<p>4) Benefits testing;</p> <p>5) Contributions testing;</p> <p>6) Testing of management expenses;</p> <p>7) Significant year-end audit tasks including (but not limited to):</p> <ul style="list-style-type: none"> <li>- Review of Annual Report;</li> <li>- Review of service auditor reports;</li> <li>- Work to address significant risks;</li> <li>- Journals Testing;</li> <li>- Review of External Confirmations;</li> <li>- Testing all relevant disclosure notes;</li> <li>- IAS19 Testing (we will aim to test this earlier if we can be given the necessary data).</li> </ul>	
Two weeks before September committee date	<p>Audit papers required two weeks before the committee. To be sent to key officers for review before being presented to TCWG at the September Audit Committee.</p> <p>Calendar invites to discuss contents with key officers.</p>	Draft audit report and opinion.

## Grants work/Housing Benefits (HB)

We have held discussions with the Benefits and Governance Manager and the HB team regarding the 16/17 benefits work.

Regular calendar invites have been sent to outline the work that needs to be done. An EY team member will be around during sample selection to discuss with the team how we expect the work to be completed. Progress will be monitored regularly during the meetings.

The completion deadline for HB work is 30<sup>th</sup> November each year and we will ensure that sufficient resources are committed to the audit to deliver against this key deliverable.