
Isle of Anglesey County Council Financial audit progress report to Audit Committee – 12 December 2012

December 2012

Code of Audit and Inspection Practice and Statement of Responsibilities of Auditors and Audited Bodies

We perform our audit in accordance with the AGW's Code of Audit Practice (the Code), which was issued in April 2010. This is supported by the Statement of Responsibilities of Auditors and Audited Bodies, which was issued in May 2005. Both documents are available from the Chief Executive of each audited body. The purpose of the statement is to assist auditors and audited bodies by explaining where the responsibilities of auditors begin and end, and what is to be expected of the audited body in certain areas. Our reports and letters are prepared in the context of this statement and in accordance with the Code.

Reports and letters prepared by appointed auditors and addressed to members or officers are prepared for the sole use of the audited body, and no responsibility is taken by auditors to any Member or officer in their individual capacity, or to any third party.

Table of Contents

2011/12 financial audit position statement.....	3
2011/12 Statement of Accounts	3
Grants	3
Liaison arrangements	4

2011/12 financial audit position statement

The purpose of this report is to provide management and the Audit Committee with an update on the financial audit's progress against the final key milestones set out in the 2011/12 Financial audit outline and grant certification work.

	Due date	Progress to date
Accounts		
Financial audit outline 2011/12	February 2012	Presented at the February Audit Committee.
Interim review and planning of the accounts audit	March/April 2012	We undertook two visits to the council, completing controls cycle walkthroughs, and commencing work on all areas of expenditure, accumulated absence accruals, sundry debtors, bank & investment balances, grant & service income and fixed assets, including valuations.
Audit presentation	25 April 2012	We presented to the Council finance team and other relevant officers on 25 April 2012.
Financial statements testing	July - September 2012	Complete.
Final accounts (ISA 260) report	September 2012	Reported to the September Audit Committee meeting.
Audit opinion	September 2012	Provided by the appointed auditor on 28 September 2012
Whole of government accounts	September 2012	Complete and certified on 28 September 2012.
Annual letter	November 2012	Issued to the Council in November. See separate agenda item.
Completion certificate	Anticipated before the end of December	We are currently concluding our work in response to a number of objections made to the accounts by a local elector. The Appointed Auditor is unable to issue a completion certificate until this work is completed.

2011/12 Statement of Accounts

We reported the outcome of our audit of the 2011/12 Statement of Accounts to the Audit Committee meeting in September and the Appointed Auditor provided an unqualified opinion on the accounts on 28 September 2012.

However, the Appointed Auditor did not issue a completion certificate because a local elector had made a number of objections to the accounts which required further information and investigation. We have obtained further information from the Council and the elector and we are in the process of completing testing of the information in order to notify the elector of the outcome.

Grants

2010/11 grants

We have now certified all of the 2010/11 claims with the exception of the Housing Benefit and Council Tax Subsidy which is currently in the process of being reviewed prior to certification.

2011/12 grants

We have certified the majority of the 2011/12 claims with October and November deadlines, with the exception of the Housing Benefit and Council Tax Subsidy and the Porthyfelin Communities First Outcome Fund. Fieldwork is ongoing relating to the former, whilst management are in the process of finalising the claim and working papers for the latter. Good progress has also been made on the 13 grant claims with a deadline of 31 December 2012.

Liaison arrangements

with Internal Audit

We continue to work closely with internal audit to produce an effective audit approach. We have received the internal audit reports that we will use to inform our 2011/12 accounts work in advance of the timetable in previous years. We have also reviewed the draft Internal Audit Operational Plan for 2012/13 in order to ensure that there is no duplication of work between us and internal audit.

with management

We continue to meet regularly with management in order to maintain our understanding of the key issues being faced by the Council in order to assess their impact on our audit approach. We continue to work with management as preparations are made for the implementation of a new accounting system and to continue the momentum of improvement noted during the 2011/12 accounts and audit process.

with the WAO

We continue to work closely with the WAO and support them in their work in respect of the Local Government Measure.

We also attend regular meetings with the Appointed Auditor, Anthony Barrett and with other auditors of local authorities in Wales in the Local Government Practitioners Group which meets quarterly.

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