



SLOUGH BOROUGH COUNCIL

Faster close project plan - progress report

26 February 2018

INTRODUCTION

Background

In 2016/17 and 2015/16 we were not able to complete our audit by the national deadline of 30 September 2017. This was in part due to weaknesses in the Council’s arrangements for preparing the financial statements and working papers, a significant number of issues arising from our audit, and delays in obtaining explanations and supporting documentation for some of our audit queries.

From 2017/18 the deadline for preparation of the draft financial statements will be 31 May, a month earlier than the deadline in previous years. The deadline for approval and publication of the final audited financial statements has been brought forward from 30 September to 31 July.

In order to achieve this faster close timetable, it is important that there is a detailed project plan in place, involving all stakeholders.

This report is intended to provide the Audit and Corporate Governance Committee with a summary of the faster close project plan that we have agreed with finance officers for our audit of the 2017/18 financial statements. It sets out the working papers that we have requested from the Council, to allow us to complete our work by the expected deadlines.




Further reports will be issued in due course that will set out progress against the plan, and the impact on our audit and the overall timetable of any non-achievement or slippage against the plan.

Progress to date

We held a detailed planning meeting with finance officers on 24 January 2018, at which we agreed a comprehensive list of the information that we will require for each of our interim and final audit visits.

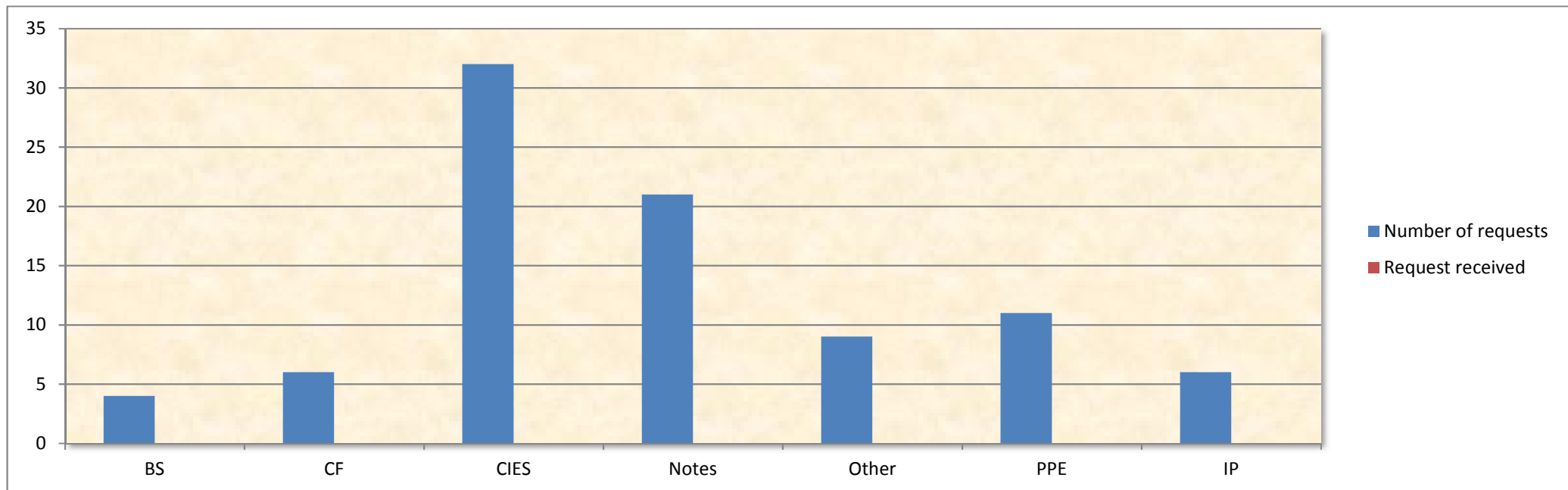
The report sets out the agreed deadlines for provision of working papers for our interim audit visits in March and April 2018.

We will report on progress made against this list on the following ‘RAG’ basis:

ASSESSMENT		EXPLANATION
RED		Unlikely to be able to meet reporting deadlines, significant concerns over meeting audit deadline, or expected modification of audit opinion.
AMBER		Some concerns around meeting reporting deadlines or potential risk of modification of audit opinion.
GREEN		On target to meet deadlines and no current concerns over meeting deadline
	TBC	Work not yet started or sufficiently progressed to include a ‘RAG’ assessment

SUMMARY OF INFORMATION PROVIDED AGAINST RECORDS REQUIRED LIST

FSA	Number of requests	Request received
BS	4	
CF	6	
CIES	32	
Notes	21	-
Other	9	-
PPE	11	-
IP	6	



RECORDS REQUIRED LISTING FOR INTERIM AUDIT VISIT

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days over due	Impact on audit progress/completion	Comments	RAG
Interim									
BS1	A. Details/breakdowns and supporting documentation of any acquisitions/disposals/further balances invested in any subsidiaries A1.Draft LABV accounts and estimates/forecast to March A2.Herschel,Slough and James Ellman Homes(New subsidiaries) and any other subsidiaries - details of transactions to assess materiality for Group Accounts purposes	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
BS2	Projected year end long term debtors, creditors and borrowing balances that will be due based on the confirmed debtors/creditors/borrowing taken out at month 10 - broken down to individual debt balance	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
BS3	(Once sample chosen from BS2 by audit) - Evidence to support the long term debtors/creditors/borrowing balances taken out as at month 10.	24/1/18	3 working days following sample being picked by auditor if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 05/03/2018	0			TBC
BS4	Estimated basis behind bad debt provision calculations with evidence for historical collection rates used	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
CF1	Month 10 collection fund workbook showing gross debit for the year for both Council tax and Business Rates as well as reliefs and	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
	discounts applied so far								
CF2	VOA schedules showing rateable value of business properties in the year-Date of report close to year end as possible	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CF3	VOA schedules showing number of each band properties for Council Tax purposes for the year	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CF4	(Once sample chosen from CF1 by audit) - Evidence behind reliefs / discounts chosen for testing	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
CF5	Breakdown of all LCTS reliefs in year - down to individual claim level	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CF6	Details of expected precept values on the collection fund account and supporting precept demands for these	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CIES1	Month 10 hard close down of CIES - full statement to be prepared (excluding pension movements)	24/1/18	19/02/2018	0	Week commencing 19/02/2018	0			TBC
CIES2	Mapping of accounts and TB codes	24/1/18	19/02/2018	0	Week commencing 19/02/2018	0			TBC
CIES3	Break downs of these trial balance codes to transaction level or access to a system to allow us to obtain these break downs.	24/1/18	19/02/2018	0	Week commencing 19/02/2018	0			TBC
CIES4	Details of how much of each of these trial balance codes are payroll/capex/schools/benefits costs and	24/1/18	19/02/2018	0	Week commencing 19/02/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
	information on how we would identify these in the trial balance break downs so we can exclude these items from our population to pick samples from.								
CIES5	(Once expenditure samples chosen from CIES3 by audit) - Supporting 3rd party evidence for the sample of expenditure chosen - ideally quality checked so that this isn't just a screen print of a journal or an excel spread sheet without any further backing.	24/1/18	Auditors to find evidence on the system and follow up with the Council on 07/03/2018 with a list of transaction they couldn't find supporting documentations for. Council has 3 working days to provide the evidence if the list has less than 20 items and 5 working days if more than 20 days	0	Week commencing 05/03/2018	0			TBC
CIES6	Payroll reports up to the month we are proposing on auditing down to employee level	24/1/18	19/02/2018	0	Week commencing 19/02/2018	0			TBC
CIES7	Reconciliations of the payroll reports to the trial balance codes mapping documents in CIES2 and CIES4. I.e. reconciliation of payroll reports to TB and accounts	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
CIES8	(Once samples chosen from CIES6 by audit) - period end payslips showing pay for period end(Period we are auditing) for each employee chosen.	24/1/18	Sample will be chosen on 22/02/2018 and supporting evidence should be ready on 05/03/2018 following sample being picked by audit for all information to be received - this can be received in batches if part of the sample is ready but all must be received	0	Week commencing 05/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
			within the deadline.						
CIES9	(Once samples chosen from CIES6 by audit) - latest contracts/change of role details which support the rates used by payroll	24/1/18	Sample will be chosen on 22/02/2018 and supporting evidence should be ready on 05/03/2018 following sample being picked by audit for all information to be received - this can be received in batches if part of the sample is ready but all must be received within the deadline.	0	Week commencing 05/03/2018	0			TBC
CIES10	(Once samples chosen from CIES6 by audit) - Workings to prove how the contracted rates and payslip "basic pay" rates tie up (IE the contracted value is pro-rated down due to number of hours worked/banding has increased each year etc.)	24/1/18	Following audit work done any discrepancies between basic pay and contracted rates will be queried and response required in 3 working days after query being raised	0	Week commencing 12/03/2018	0			TBC
CIES11	(Once samples chosen from CIES6 by audit) - Supporting evidence for any non "basic pay" awards such as overtime, mileage etc.	24/1/18	Where sample in CIES8 submitted on 22/02/18 includes awards such as overtime, mileage etc. supporting evidence should be provided on the 05/03/2018	0	Week commencing 12/03/2018	0			TBC
CIES12	Reconciliations of the depreciation cost in month 10 per the fixed asset register on PPE1 to the trial balance codes mapping documents in CIES2 and CIES4	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CIES13	(Once samples chosen from PPE1 by audit) - Evidence/explanations to support justification of the UEL applied on the asset	24/1/18	3 working days following sample being picked by audit if sample size is less	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
	and calculations to support how the depreciation has been applied.		than 20 and 5 working days if sample is more than 20						
CIES21	Details of how much of each of these income trial balance codes are grants/benefits/HRA/Other rents/Schools income and information on how we would identify these in the trial balance break downs so we can exclude these items from our population to pick samples from.	24/1/18	19/02/2018	0	Week commencing 19/02/2018	0			TBC
CIES22	(Once income sample chosen from CIES3 by audit) - Supporting evidence for the sample of income chosen - ideally quality checked so that this isn't just a screen print of a journal or an excel spread sheet without any further backing.	24/1/18	Sample will be chosen on 24/02/2018 and supporting evidence should be ready on 05/03/2018 following sample being picked by audit for all information to be received - this can be received in batches if part of the sample is ready but all must be received within the deadline.	0	Week commencing 05/03/2018	0			TBC
CIES23	(Once key revenue streams determined by audit following receipt of CIES21) - Key contacts and availability for the relevant revenue streams chosen	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
CIES24	(Once key contacts identified from CIES23) Breakdowns of the populations of income for the stream from the relevant starting point that we can choose our sample from	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
CIES25	(Once samples chosen from CIES24 by audit) Evidence that the specific transactions chosen can be traced through to the nominal ledger posting or reason as to why not.	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
CIES26	Grant income notes to be prepared for month 10 including capital grants unapplied/capital grants received in advance draft calculations based on expected conditions at year end	24/1/18	05/03/2017	0	Week commencing 05/03/2018	0			TBC
CIES27	Breakdown of grant income notes to transaction level	24/1/18	05/03/2017	0	Week commencing 05/03/2018	0			TBC
CIES28	Details of how the grant income notes reconcile to CIES2 and CIES21	24/1/18	05/03/2017	0		0			TBC
CIES29	Breakdown of HRA rental income to transaction level as well as analysis of the number and type of dwellings, as at the start and end of the financial year	24/1/18	05/03/2017	0	Week commencing 12/03/2018	0			TBC
CIES30	Annual rental increase approved by cabinet	24/1/18	BDO to get from Minutes of cabinet meetings online	0	Week commencing 12/03/2018	0			TBC
CIES31	(Once CIES29 and 30 obtained by audit)Analytical reviewed will be performed and variance above acceptable threshold investigated	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
CIES32	Council dwellings-Supporting evidence of rent being charged to customer for the period and recording of this rent in the ledger	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
			than 20						
CIES33	Calculations to individual asset level for gains & losses on disposals to month 10 - with NBV of disposals reconciled to month 10 fixed asset register on PPE1	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CIES34	(Once sample chosen from CIES33 by audit) - Supporting evidence of the proceeds received for the asset upon disposal as well as transfer of title documents (if applicable)	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
CIES35	Break down to transaction level of all interest paid up to and including M10 CIES excluding accruals	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
CIES36	(Once we sample chosen from CIES35 and CIES37 by audit) - Supporting evidence of interest charges	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 05/03/2018	0			TBC
CIES37	Break down to transaction level of all interest received up to and including 10 CIES. Excluding year end accruals	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
CIES38	Calculations to individual asset level for gains & losses on investment property disposals to month 10 - with NBV of disposals reconciled to month 10 investment property asset register on IP1	24/1/18	05/03/2018	0	Week commencing 12/03/2018	0			TBC
CIES39	(Once sample chosen from CIES38 by audit) - Supporting evidence of the proceeds received for the asset upon disposal as well as transfer of title documents (if applicable)	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
			than 20						
IP1	Breakdown of all investment properties (updated to month 10 for any additions, disposals and valuations)	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
IP2	sample of investment property to test classification of investment	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
IP3	Valuation report for investment properties to January as well as how this reconciles to the breakdown of investment properties on IP1 including how this feeds through to the total revaluation gain/loss on investment properties.	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
IP4	Evidence of the Councils challenge of the valuation assumptions used by the valuer and details behind why the Council is happy with the assumptions made.	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
IP5	(Once additions sample chosen from IP1 by audit) Supporting evidence for a sample of investment property assets purchased in the period	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 05/03/2018	0			TBC
IP6	(Once existence sample chosen from IP1 by audit) - Evidence of rental income being received for the asset chosen OR if rental income is not being received for assets chosen we will need the expected location of the asset chosen and any further descriptions of the asset necessary for identification. For land items, please supply title deed numbers. In addition, if access to the asset is restricted please arrange	24/1/18	March-Using rental income to confirm existence April- Physical verification where there is no rental income	0	Week commencing 05/03/2018	0			TBC


AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
	contact with relevant Council officer to allow us access to view the asset.								
NOTES1	All proposed accounting policies for year end	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES2	Proposed note for Accounting standards issued but not yet adopted	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES3	Proposed note for Critical Judgements in Applying Accounting Policies	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES4	Proposed note for Assumptions made about the future and other major sources of estimation uncertainty note	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES5	Proposed note for Non- current assets valuation (wording)	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES6	Details and supporting contracts for any new pooled budget arrangements in the year	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES7	Members allowances disclosure based on projection set at month 9/10 and any relevant supporting workings behind this	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES9	Senior officers remuneration disclosure based on projection set at month 9/10 and any relevant supporting workings behind this	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES8	Contracts of employment for all members of staff disclosed in the senior officers remuneration note	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES9	For all pay above contracted rates, supporting documentation to support additional pay (e.g. mileage claim forms	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
	etc.)								
NOTES10	External audit costs note	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES11	Confirmation of the Dedicated schools grant income that will be recorded in the financial statements	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES12	Confirmation of all bodies that the Council will treat as "related parties" for the purposes of carrying out related party transaction searches at year end, together with reasons why	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES13	Lease commitment disclosure notes expected based on the leases taken out as at month 9/10	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES14	Detailed workings to support the above disclosure notes down to individual leases which can be tested.	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES15	(Once sample chosen from NOTES16 by audit) - Supporting lease agreements for all items sampled	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0		0			TBC
NOTES16	PFI disclosures expected at year end along with supporting PFI model.	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES17	Termination benefits note as at month 9/10	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
NOTES18	Supporting workings for termination benefits note as at month 9/10 breaking down to each termination benefit granted	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
NOTES19	(Once sample chosen from NOTES8 by audit) - Supporting termination agreement for the sample items picked to confirm amount disclosed accurate.	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
NOTES20	HRA Stock valuations note	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
OTHER1	Transaction reports from the ledger which detail every transaction posted in the 10 months. This should include as a minimum: cost centre, subjective code, user posted, date posted, period relates to, description, value of transaction.	24/1/18	19/02/2018	0	Week commencing 12/03/2018	0			TBC
OTHER2	Full trial balance for month 10	24/1/18	19/02/2018	0	Week commencing 12/03/2018	0			TBC
OTHER3	Reconciliation of transaction report totals to full trial balance for month 10 (if they don't agree exactly)	24/1/18	19/02/2018	0	Week commencing 12/03/2018	0			TBC
OTHER4	(Once sample chosen from OTHER1 by audit) - Evidence to support the journal transactions picked for testing	24/1/18	3 working days following sample being picked by audit if sample size is less than 20 and 5 working days if sample is more than 20	0	Week commencing 12/03/2018	0			TBC
OTHER5	Cycles and system notes updates. Using internal audit files.	24/1/18	02/04/2018	0	Week commencing 02/04/2018	0			TBC
OTHER6	Various "walkthroughs" to be provided by contacts during on site visit by BDO	24/1/18	02/04/2018	0	Week commencing 02/04/2018	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
OTHER 7	Lists of starters, leavers and changes to user access for the financial ledger system	24/1/18	02/04/2018	0	Week commencing 02/04/2018	0			TBC
OTHER 8	Details and evidence of any periodic reviews of user access for the financial ledger system	24/1/18	02/04/2018	0	Week commencing 02/04/2018	0			TBC
OTHER 9	Details of any generic user accounts (such as "TEST") for the financial ledger system along with their purpose and how they are adequately restricted	24/1/18	02/04/2018	0	Week commencing 02/04/2018	0			TBC
PPE1	Access to fixed asset register at month 10, depreciation, valuations, additions and disposals down to individual asset level.	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
PPE2	Breakdown of all HRA assets (updated to month 10) on an individual property basis which reconciles to (or can be extracted from) the fixed asset register from PPE1	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
PPE3	Breakdown of any other assets leased out during the year	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
PPE4	Valuation report for PPE as well as how this reconciles to the breakdown of PPE on PPE1	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
PPE5	Evidence of the Councils challenge of the valuation assumptions used by the valuer and details behind why the Council is happy with the assumptions made.	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
PPE6	Calculations to show the gain/loss on any revaluation and whether or not this is taken to the revaluation reserve, or I&E on an individual asset basis	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			TBC
PPE7	Assessment of the rolling revaluation	24/1/18	05/03/2018	0	Week commencing	0			TBC

AUDIT AREA	Details of request	Date of request	Council deadline	Days overdue	BDO review deadline	Days overdue	Impact on audit progress/completion	Comments	RAG
	process to identify if there is a material difference in assets that have not been valued this year that would cause them to require further valuations.				05/03/2018				
PPE8	(Once additions sample chosen from PPE1 by audit) Supporting evidence for a sample of assets purchased in the period	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
PPE9	(Once AUC sample chosen from PPE1 by audit) Supporting completion certificates (or other relevant evidence) for assets under construction transferred to confirm asset brought into use within the year	24/1/18	12/03/2018	0	Week commencing 12/03/2018	0			TBC
PPE10	(Once existence sample chosen from PPE1 by audit) - Expected location of all assets chosen and any further descriptions of assets necessary for identification. For land items, please supply title deed numbers. In addition, if access to the assets is restricted please arrange contact with relevant Council officer to allow us access to view the asset.	24/1/18	April	0	Week commencing 09/04/2018	0			TBC
PPE11	Valuations instructions to the valuer	24/1/18	05/03/2018	0	Week commencing 05/03/2018	0			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 LLP is separately authorised and regulated by the Financial Conduct Authority to conduct investment business.

Copyright ©2018 BDO LLP. All rights reserved.

www.bdo.co.uk

