

# Havant Borough Council

Governance and Audit Committee Progress Report

July 2015



Building a better  
working world



Governance and Audit Committee  
Havant Borough Council  
Public Service Plaza  
Civic Centre Road  
Havant  
PO9 2AX

1 July 2015

## **Audit Progress Report**

We are pleased to attach our Audit Progress Report.

It sets out the work we have completed since our last report to the Committee. Its purpose is to provide the Committee with an overview of the 2014/15 audit. This Progress Report is a key mechanism in ensuring that our audit is aligned with the Committee's service expectations.

Our audit is undertaken in accordance with the requirements of the Audit Commission Act 1998, the Code of Audit Practice, the Audit Commission Standing Guidance, auditing standards and other professional requirements.

We welcome the opportunity to discuss this report with you as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully



Helen Thompson  
Director  
For and behalf of Ernst & Young LLP



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In March 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the Chief Executive of each audited body and via the [Audit Commission's website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This report is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

**Our Complaints Procedure** – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

## Work completed 2014/15

### **Audit fee letter**

We presented our audit fee letter for 2014/15 to the June 2014 Governance and Audit Committee.

### **Financial Statements audit**

Where possible we seek to rely on the controls within the Council's financial systems.

To achieve this we identify the material income and expenditure systems; document and walk through these systems and controls to ensure we understand the systems that generate the material balances and disclosures in the Council's financial statements.

We work closely with internal audit and where possible have placed maximum reliance on their work

We have completed this stage of our audit and our findings are included within our audit plan, which is included as a separate item on today's agenda.

### **Post Statements audit**

We have discussed with management the timing of our post statements audit and agreed a timetable for the receipt of the draft statements and working papers. Our audit will start on 6 July 2015 and we will report our work to the Governance and Audit Committee in September 2015.

### **Value for money assessment**

We have completed our initial risk assessment for our value for money work against the Audit Commission's specified criteria and areas of focus. Our audit plan details the results of this work.

### **Grant claim certification**

Our work on the certification of the housing benefit subsidy claim started on 22 June 2015. This is earlier than in previous years and will also be used to inform the opinion we give on the Council's financial statements.

## Work completed 2015/16

### **Audit fee letter**

Our audit fee letter for 2015/16 is on the agenda for today's Governance and Audit Committee.

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## Timetable 2014/15

We set out below a timetable showing the key stages of the audit, including the value for money work, and the deliverables we will provide to you through the 2014/15 Governance and Audit Committee cycle. We will provide formal reports to the Committee throughout our audit process as outlined below.

Audit phase	EY Timetable	Deliverable	Associated Governance & Audit Committee	Status
Notification of audit fee	<b>Ongoing</b>	Audit Fee Letter	June 2014	Completed - Reported to the June 2014 Committee
Risk assessment and setting scope of audit	<b>Feb - April 2015</b>	Audit Plan	June 2015	Completed - Reported to the July 2015 Committee
Testing of routine processes and controls and early substantive testing	<b>Feb – April 2015</b>	Audit Plan	June 2015	Completed - Reported to the July 2015 Committee
Year-end audit	<b>June - August 2015</b>	Audit results report to those charged with governance Audit report (including our opinion on the financial statements and a conclusion as to whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources) Whole of Government Accounts Submission to NAO based on their group audit instructions Audit Completion certificate	September 2015	-
Annual Reporting	<b>October 2015</b>	Annual Audit Letter	December 2015	-
Grant Claims	<b>September – November 2015</b>	Annual certification report	February 2016	-

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