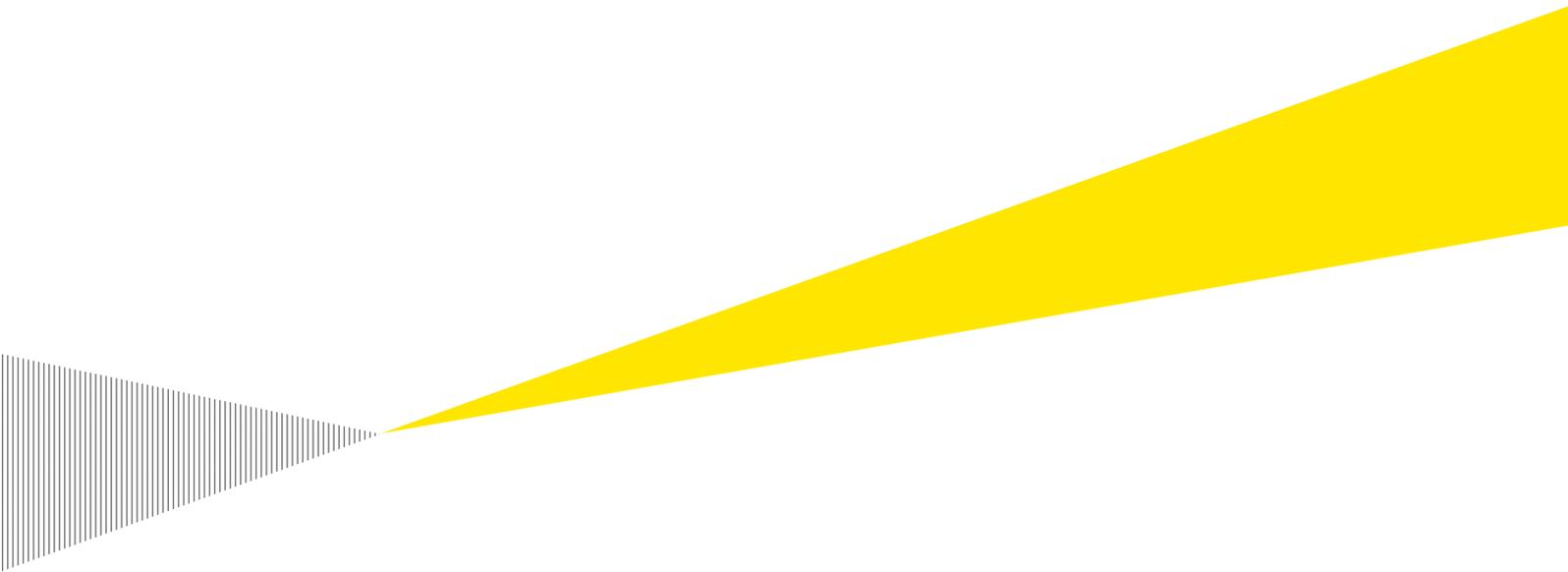


Rushmoor Borough Council

Licensing and General Purposes Committee

Progress Report

March 2017



Building a better
working world



Ernst & Young LLP Tel: + 44 118 928 1243
Apex Plaza Fax: + 44 118 928 1101
Forbury Road ey.com
Reading
RG1 1YE

Licensing and General Purposes Committee
Rushmoor Borough Council
Council Offices
Farnborough
Hampshire
GU14 7JU

15 March 2017

Dear Committee Members

Audit Progress Report

We are pleased to attach our Audit Progress Report. Its purpose is to provide the Committee with an overview of the progress that we have made with the work that we need to complete during the 2016/17 audit. This report is a key mechanism in ensuring that our audit is aligned with the Committee's service expectations. We will bring a progress report to each Committee except for those where we will bring the Audit Plan or the Audit Results Report.

Our audit is undertaken in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, 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

Andrew Brittain
Executive Director
For and behalf of Ernst & Young LLP

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued ‘Statement of responsibilities of auditors and audited bodies 2015-16’. It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between 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 ‘Terms of Appointment from 1 April 2015’ issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This progress update is prepared in the context of the Statement of responsibilities. It is addressed to the Audit and Governance Committee, and is prepared for the sole use of the audited body. 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.

2016/17 audit

Audit Plan

We presented our 2016/17 updated Audit Plan to the Licensing and General Purposes Committee in January 2017. We will keep the plan under review and will inform you of any changes to our risk assessments and planned work.

Meetings and progress to date

We continue to have regular meetings with key officers as part of our ongoing audit process.

These have proved beneficial as we have confirmed our understanding of the financial processes, discussed a number of areas of the statements and have already selected our samples for substantive testing of income and expenditure transactions for the first 9 months of the financial year and shared these with the Council's finance team.

As at the date of the Licensing and General Purposes Committee we will have been on site for our planning and interim testing for 3 weeks. This is an accelerated programme of testing to ensure that we meet the requirements of the Faster Close arrangements which are due to take effect in 2017/18 and therefore with the Council we have committed to undertaking as much early work as possible in 2016/17. Below is a listing of the early work that we have been able to complete as part of our interim visit:

- walkthrough of all key financial systems;
- opening balances agreement;
- month 9 testing of income and expenditure;
- month 9 payroll substantive analytical review;
- month 9 payroll starters and leavers testing;
- existence testing of property, plant and equipment;

Where we have completed month 9 testing of key accounts such as income and expenditure and payroll we will perform top-up testing of these accounts at year end. This will reduce the time required to complete this work at year end.

To ensure a smooth delivery of the year end we will continue to have regular meetings with key officers as part of our ongoing audit process.

At the timing of writing our interim reviews have not identified any issues we wish to bring to your attention, and we will provide you with a verbal update to the Licensing and General Purposes Committee when we meet on 27 March.

Housing Benefits Update

We have held meetings with the Housing Benefit team and discussed our approach for testing for the certification of the Housing Benefit Subsidy Claim for 2016-17.

We have obtained some local data in relation to the number of local organisations who have breached thresholds and had claw back from their 2015/16 HB subsidy claim as a result of the housing benefit certification work. We will be happy to provide a verbal update to the Licensing and General Purposes Committee when we meet on 27 March.

Licensing and General Purposes Committee

If members of the Licensing and General Purposes Committee have any particular issues they want to discuss with us we would be pleased to discuss these with you.

Timetable

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 2016/17 Licensing and General Purposes Committee cycle.

Audit phase	Timetable	Licensing and General Purposes Committee timetable	Deliverables
High level planning	April 2016	May 2016	Audit Fee Letter
Risk assessment and setting of scopes	December 2016	January 2017	Audit Plan
Testing routine processes and controls	January 2017 and March 2017	March 2017	Progress Report
Year-end audit	August 2017		
Completion of audit	September 2017	September 2017	Report to those charged with governance via the Audit Results Report Audit report (including our opinion on the financial statements; and our value for money conclusion). Audit completion certificate Reporting to the NAO on the Whole of Government Accounts return.
Conclusion of reporting	September 2017	September 2017	Annual Audit Letter

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Ernst & Young LLP, 1 More London Place, London, SE1
2AF.

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