

# SOUTHEND-ON-SEA BOROUGH COUNCIL

Progress report to those charged with governance

January 2018



## INTRODUCTION

### Summary of progress

This report provides the Audit Committee with an update of the progress in delivering the 2016/17 and 2017/18 audits.

Auditors' principal objectives are to review and report on, to the extent required by the relevant legislation and the requirements of the Code of Audit Practice for Local Government, the audited body's:

- financial statements
- arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are also required to certify specified grant claims and returns.

## 2016/17 Annual Audit Plan - progress summary as at 5 January 2018

Area of work	Scope / Associated deadlines	Status	Outputs / Date
Planning	Risk assessment and formulation of the audit plan. Detailed audit plan to be issued outlining direction of the audit.	Work completed.	<b>Planning Letter 2016/17</b> Reported to the Audit Committee in June 2016. <b>Audit Plan 2016/17</b> Presented to the Audit Committee in March 2017.
Interim audit	Audit of the key financial systems that support the financial statements of accounts. To be completed prior to commencement of the audit of the financial statements in July 2017.	Work completed.	We report to management any deficiencies in internal control identified during the audit. Where such deficiencies are significant we also report them in our <b>Audit Completion Report</b> .
Financial Statements audit	Audit of the draft financial statements to determine whether they give a true and fair view of the Council's financial affairs and the income and expenditure for the year. Deadline for issue of audit opinion and publication of the statement of accounts is 30 September 2017.	Work completed.	<b>Audit Completion Report</b> Reported to the Audit Committee on the 6 September 2017. <b>Opinion on the financial statements</b> Opinion issued on 15 September 2017.
Whole of government accounts audit	Audit of the consolidation pack for consistency with the audited statement of accounts. Consolidation pack opinion – deadline set as 30 September 2017.	Work completed.	<b>Opinion on the WGA Consolidation Pack</b> Opinion issued on the 15 December 2017.
Use of resources	New approach for VFM Conclusion: One criteria: In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.	Work completed.	<b>Audit Completion Report</b> Reported to the Audit Committee on the 6 September 2017. <b>VFM conclusion</b> Opinion issued 15 September 2017.

Area of work	Scope / Associated deadlines	Status	Outputs / Date
	<p>The overall criterion is supported by three sub-criteria:</p> <ul style="list-style-type: none"> <li>• Informed decision making</li> <li>• Sustainable resource deployment</li> <li>• Working with partners and other third parties</li> </ul> <p>Conclusion to be given alongside the accounts opinion by the deadline of 30 September 2016.</p>		
Annual Audit Letter	Public-facing summary of audit work and key conclusions for the year. To be finalised by 31 October 2017.	Final report agreed.	<p><b>Annual Audit Letter</b></p> <p>Issued by the 31 October deadline. Being reported to the Audit Committee on 17 January 2018.</p>
Grants and returns	To audit and submit the Housing Benefit subsidy grant claim by 30 November 2017 deadline.	Work completed.	Housing Benefit <b>grants claim</b> certified in line with the 30 November deadline.
Non Audit Commission grants and returns	<p>To audit and submit Teachers' Pension and the Housing Pooled Capital Receipts grant claims and returns by the deadline.</p> <p>Teachers' Pensions: Deadline to issue reasonable assurance report is 30 November 2017.</p> <p>Housing Pooled Capital Receipts: Deadline 30 November 2017.</p>	<p>The Teachers' Pension return was certified in line with the deadline.</p> <p>The audit of the Housing Pooled Capital Receipts return work is complete, but there has been a delay in certification. This is because of delays in getting the amendment required as a result of our work agreed by the Council and amended on the DCLG system.</p> <p>This is expected to be completed before the Audit Committee.</p>	<p>Teachers' Pension return certified in line with the 30 November deadline.</p> <p>Housing Pooled Capital Receipts return work to be certified once the required amendments have been made on the DCLG system.</p>
Grants Report	Summary of our certification work completed on 2016/17 claims, to be issued by February 2018.	Work completed.	<p><b>Grants Report</b> to those charged with governance being reported to the Audit Committee on 17 January 2018.</p>

## 2017/18 Annual Audit Plan - progress summary as at 5 January 2018

Area of work	Scope / Associated deadlines	Status	Outputs / Date
Planning	Risk assessment and formulation of the audit plan. Detailed audit plan to be issued outlining direction of the audit.	First phase of work completed.	<b>Planning Letter 2017/18</b> Reported to the Audit Committee in June 2017. <b>Audit Plan 2017/18</b> Target issue date March 2018.
Interim audit	Audit of the key financial systems that support the financial statements of accounts. To be completed prior to commencement of the audit of the financial statements in June 2018.	Start date agreed.	We report to management any deficiencies in internal control identified during the audit. Where such deficiencies are significant we also report them in our <b>Audit Completion Report</b> .
Financial Statements audit	Audit of the draft financial statements to determine whether they give a true and fair view of the Council's financial affairs and the income and expenditure for the year. Deadline for issue of audit opinion and publication of the statement of accounts is 31 July 2018.	Start date agreed.	<b>Audit Completion Report</b> Target issue date July 2018. <b>Opinion on the financial statements</b> Target issue date July 2018.
Whole of government accounts audit	Audit of the consolidation pack for consistency with the audited statement of accounts. Consolidation pack opinion – deadline not yet finalised – expected to be early August 2018.	Start date to be agreed.	<b>Opinion on the WGA Consolidation Pack</b> Target date August 2018.
Use of resources	New approach for VFM Conclusion: One criteria: In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.	Start date to be agreed.	<b>Final Report to the Audit Committee</b> Target issue date July 2018. <b>VFM conclusion</b> Target issue date July 2018.

Area of work	Scope / Associated deadlines	Status	Outputs / Date
	<p>The overall criterion is supported by three sub-criteria:</p> <ul style="list-style-type: none"> <li>• Informed decision making</li> <li>• Sustainable resource deployment</li> <li>• Working with partners and other third parties</li> </ul> <p>Conclusion to be given alongside the accounts opinion by the deadline of 31 July 2018.</p>		
Annual Audit Letter	Public-facing summary of audit work and key conclusions for the year. To be finalised by 31 October 2018.	This will follow completion of the Audit.	<b>Annual Audit Letter</b> Target issue date October 2018.
Grants and returns	To audit and submit the Housing Benefit subsidy grant claim by 30 November 2018 deadline.	Start date to be agreed.	Housing Benefit <b>grants claim and return</b> to be audited by 30 November 2018 deadline.
Non Audit Commission grants and returns	<p>To audit and submit Teachers' Pension and the Housing Pooled Capital Receipts grant claims and returns by the deadline.</p> <p>Teachers' Pensions: Deadline to issue reasonable assurance report is 30 November 2018.</p> <p>Housing Pooled Capital Receipts: Deadline 30 November 2018.</p>	Start date to be agreed.	<p>Teachers' Pension <b>grants claim and return</b> to be audited by the 30 November 2018 deadline.</p> <p>Housing Pooled Capital Receipts <b>grants claim and return</b> to be audited by the 30 November 2018 deadline.</p>
Grants Report	Summary of our certification work completed on 2017/18 claims, to be issued by February 2019.	To be drafted after certification work concluded.	<b>Grants Report</b> to those charged with governance to be issued by February 2019.

The matters raised in our report prepared in connection with the audit are those we believe should be brought to the attention of the organisation. They do not purport to be a complete record of all matters arising. No responsibility to any third party is accepted.

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