

# SOUTHEND-ON-SEA BOROUGH COUNCIL

Progress report to those charged with governance

March 2016



## INTRODUCTION

### Summary of progress

This report provides the Audit Committee with an update of the progress in delivering the 2014/15 and 2015/16 audit.

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.

## 2014/15 Annual Audit Plan - progress summary as at 15 March 2016

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 2014/15</b> Reported to the Audit Committee in June 2014. <b>Audit Plan 2014/15</b> Reported to the March 2015 Audit Committee meeting.
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 2015.	Work is complete.	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>Final Report to the Audit Committee</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 2015.	Work is complete.	<b>Final Report to the Audit Committee</b> Reported to Audit Committee on 30 September 2015. <b>Opinion on the financial statements</b> Opinion issued on 30 September 2015.
Whole of government accounts audit	Audit of the consolidation pack for consistency with the audited statement of accounts. Consolidation pack opinion – deadline 2 October 2015.	Work is complete. The final DCT was not provided until the 30 September as a result the DCT was submitted late.	<b>Opinion on the WGA Consolidation Pack</b> Opinion issued on 11 November 2015.
Use of resources	Review of use of resources based on: <ul style="list-style-type: none"> <li>proper arrangements in place for securing financial resilience</li> <li>proper arrangements for challenging how the Council secures economy, efficiency and</li> </ul>	Work is complete.	Results reported in the <b>Annual Governance Report</b> to Audit Committee on 30 September 2015. <b>VFM conclusion</b> <b>VFM conclusion</b> Opinion issued on 30 September 2015.

Area of work	Scope / Associated deadlines	Status	Outputs / Date
	effectiveness. Conclusion to be given alongside the accounts opinion by the deadline of 30 September 2015.		
Annual Audit Letter	Public-facing summary of audit work and key conclusions for the year. To be finalised by 31 October 2015.	Final report agreed.	<b>Annual Audit Letter</b> Issued by the 31 October deadline. Reported to the Audit Committee on 20 January 2015.
Grants and returns	To audit and submit BEN 01 (Housing Benefit) grant claim and returns by 30 November 2015 deadline.	Work is complete.	Housing Benefit <b>grants claim</b> certified in line with the deadline.
Non Audit Commission grants and returns	To audit and submit Teachers' Pension and the Housing Pooled Capital Receipts grant claims by the deadline. Deadline is 30 November 2015.	Work is complete.	Teachers' Pension <b>grants claim</b> certified in line with the deadline. There was a delay in certification of the Housing Pooled Capital Receipts Grant claim due to problems with the Logasnet system. This meant that auditors were unable to certify by the deadline.
Grants Report	Summary of our certification work completed on 31 March 2015 claims, to be issued by February 2016.	Final report agreed.	<b>Grants Report</b> to those charged with governance issued February 2016. To be reported to the Audit Committee on 30 <sup>th</sup> March 2016.

## 2015/16 Annual Audit Plan - progress summary as at 15 March 2016

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 2015/16</b> Reported to the Audit Committee in June 2015. <b>Audit Plan 2015/16</b> Issue date March 2016. To be reported to the Audit Committee on 30 <sup>th</sup> March 2016.
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 2016.	Work in progress.	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>Final Report to the Audit Committee</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 2016.	Start date agreed as June 2016.	<b>Final Report to the Audit Committee</b> Target issue date September 2016. <b>Opinion on the financial statements</b> Target issue date September 2016.
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 October 2016.	Start date agreed in line with Financial Statements audit.	<b>Opinion on the WGA Consolidation Pack</b> Target date October 2016.
Use of resources	New approach for VFM Conclusion:	Start date to be agreed.	<b>Final Report to the Audit Committee</b>

Area of work	Scope / Associated deadlines	Status	Outputs / Date
	<p>One criteria:</p> <p>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.</p> <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>		<p>Target issue date September 2016.</p> <p><b>VFM conclusion</b></p> <p>Target issue date September 2016.</p>
Annual Audit Letter	Public-facing summary of audit work and key conclusions for the year. To be finalised by 31 October 2016.	This will follow completion of the Audit.	<p><b>Annual Audit Letter</b></p> <p>Target issue date October 2016.</p>
Grants and returns	To audit and submit BEN 01 (Housing Benefit) grant claim and returns by 30 November 2016 deadline.	Start date to be agreed.	Housing Benefit <b>grants claim and return</b> to be audited by 30 November 2016 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 2016.</p> <p>Housing Pooled Capital Receipts: Deadline TBC.</p>	Start date to be agreed.	<p>Teachers' Pension <b>grants claim and return</b> to be audited by the 30 November 2016 deadline.</p> <p>Housing Pooled Capital Receipts <b>grants claim and return</b> to be audited by the deadline.</p>
Grants Report	Summary of our certification work completed on 31 March 2016 claims, to be issued by February 2017.	To be drafted after certification work concluded.	<b>Grants Report</b> to those charged with governance to be issued by February 2017.

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 council and may not be quoted nor copied without our prior written consent. No responsibility to any third party is accepted.

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