



SURREY HEATH BOROUGH COUNCIL

Audit Progress Report to Audit and Standards Committee

15 November 2018

INTRODUCTION

Background

This report provides the Audit and Standards Committee with an outline of our proposed work and progress to date for 2018/19.

Audit of the financial statements

- to be satisfied that the accounts present a true and fair view
- to be satisfied that proper practices have been observed in the preparation of the accounts

Value for money arrangements

- to be satisfied that the organisation has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources

Reporting

- issue an audit plan that sets out how we intend to carry out our duties
- report the findings of the audit to those charged with governance
- to express an opinion on the accounts
- express a conclusion on the Council’s arrangements to secure economy, efficiency and effectiveness in the use of resources
- to certify the completion of the audit
- issue an annual audit letter highlighting the results of the auditor’s work.

Key team members



Leigh Lloyd-Thomas
Engagement Lead



Michael Asare-Bediako
Manager



Martha Nhlovu
Audit Senior

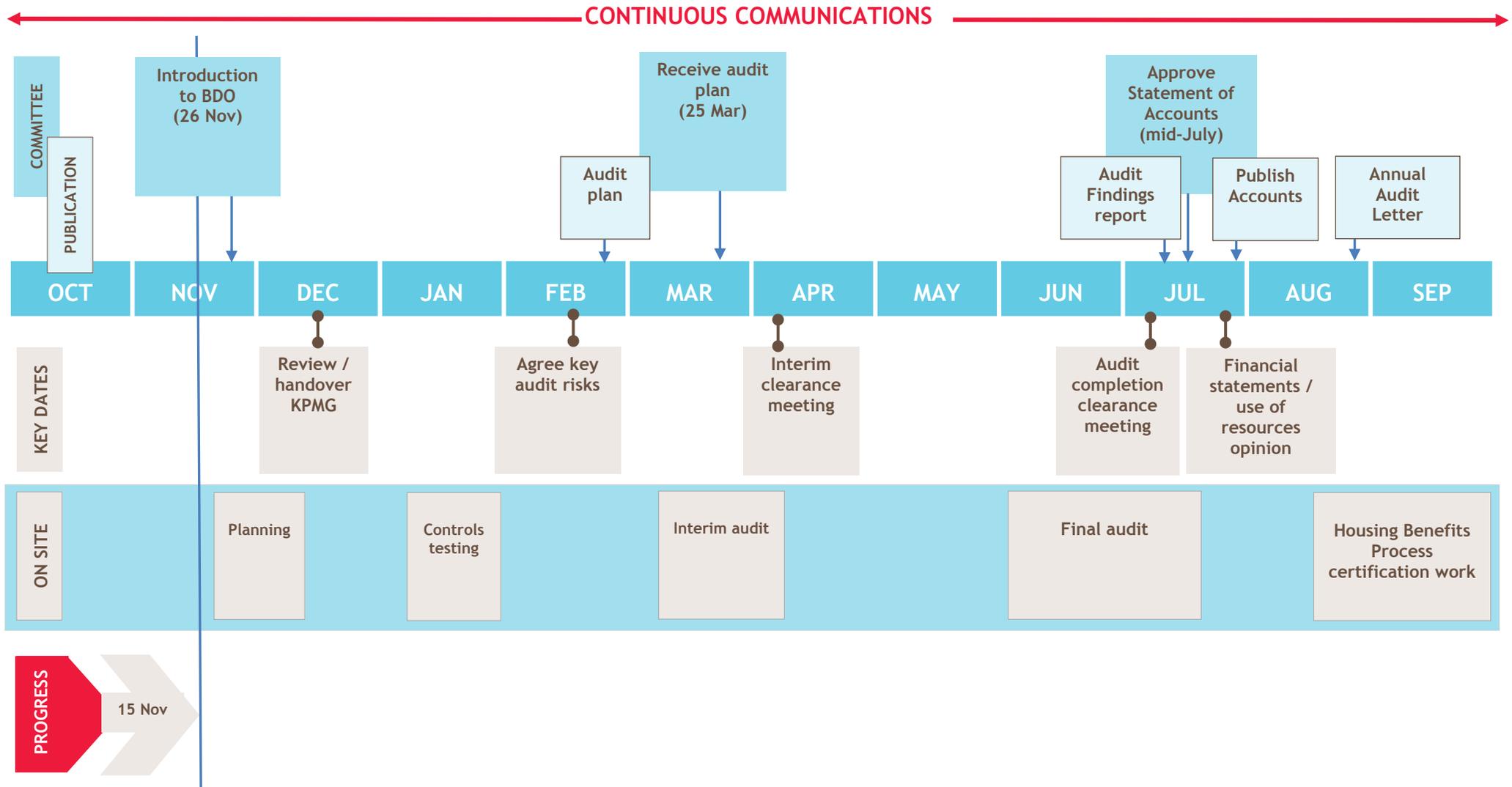
Progress to date

We have assessed whether the arrangements put in place by the Council will allow us to complete our work by the expected deadlines and whether there are any issues that are likely to have a significant impact on our ability to provide unmodified audit reports and opinions.

This is included as a ‘RAG’ assessment in the report:

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

AUDIT PROGRESS 2018/19



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AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	ASSESSMENT
Audit plan	Report our risk assessment and the proposed audit response to significant audit risks.	Review of KPMG and handover meeting scheduled 10 December. Planning scheduled for November / December to undertake risk assessment.	Audit Plan To be issued in February.	TBC
FINANCIAL STATEMENTS				
Controls testing	Audit of the significant financial systems that support the financial statements.	Review and testing of the operating effectiveness of internal controls operated by the Council has been scheduled for January.	Audit Completion Report To be issued in July.	TBC
Financial statements audit	Audit of the financial statements to determine whether these give a true and fair view.	We intend to undertake testing of financial transactions during the year including an interim visit in March to cover testing to Month 11. Final audit testing of the financial statements will commence in June 2018.		
USE OF RESOURCES				
Review of arrangements to secure economy, efficiency and effectiveness	To be satisfied that proper arrangements have been made to secure economy, efficiency and effectiveness in the use of resources. <i>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.</i>	Initial review of the Council's arrangements will be undertaken as part of our initial planning and this will inform our risk assessment process. A refresh will be undertaken during June 2018 to review financial outturn and MTFS updates.	Audit Completion Report To be issued in July.	TBC

AUDIT PROGRESS 2018/19

AUDIT AREA	SCOPE	PROGRESS	REPORTS / OUTPUTS	ASSESSMENT
REPORTING				
Audit certificate	Certify the completion of the audit at the point that the auditor's responsibilities in respect of the audit of the period covered by the certificate have been discharged.	To be issued on completion of the audit of the financial statements and review of the arrangements to secure economy, efficiency and effectiveness.	N/A	TBC
Annual audit letter	Public-facing summary of audit work and key conclusions for the year.	Annual audit letter to be drafted upon completion of audit work.	Annual Audit Letter To be issued in August.	TBC
CERTIFICATION AND RETURNS				
Housing Benefits Assurance Process certification	To complete the DWP revised Agreed upon Procedures work	Detailed testing of housing benefits cases to commence in August.	Report to DWP Work to be completed and reported in November.	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.

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