



cutting through complexity

External audit progress report

London Borough of Ealing
January 2015

This document provides the Audit Committee with a high level overview on progress in delivering our responsibilities as your external auditors.

At the end of each stage of the audit we issue certain deliverables, including reports and opinions. A summary of progress against these deliverable is provided in Appendix 1 of this report.

2013/14 financial year	<p>We have completed our audit for the 2013/14 financial year since the last Audit Committee by:</p> <ul style="list-style-type: none"> ▪ Issuing our unqualified audit opinion on your financial statements, giving an unqualified value for money conclusion and issuing our audit certificate: ▪ Issued our consistency opinion on your Whole of Government Accounts submission: ▪ Certified your Housing Benefit subsidy claim – details of the findings are included in our grant claim and return report: ▪ Issued our Annual Audit Letter – included as a separate item on the agenda: ▪ Issued our Grant claim and return report – included as a separate item on the agenda: and ▪ Given our unqualified report on your Teachers’ Pension return.
Summary of work performed by KPMG for 2014/15 financial year to date and the next quarter	<p>We will update our risk assessments as part of our preparation for our detailed planning work in the next quarter to determine our audit plans for the Authority and the Pension Fund. This will include a detailed review of Authority’s minutes, discussions with senior officers and consideration of changes in legislation and accounting requirements.</p> <p>In line with auditing standards, we will present our detailed annual plan to the Audit Committee in March 2015. This will highlight the key risks to our audit at the planning stage and our response to these for the Authority and Pension Fund in 2014/15.</p> <p>We will also carry out our VFM conclusion risk assessment and use the updated guidance issued by the Audit Commission in October 2014. The scope of the assessment is consistent with that in previous years and will focus on your arrangements for securing financial resilience and ensuring economy, efficiency and effectiveness in your use of resources. We will discuss any specific significant risks to the VFM conclusion with senior officers and highlight our planned response and any additional work required</p> <p>There are no audit concerns that we need to raise with the Audit Committee in relation to the audit of the accounts or the VFM conclusion from our knowledge to date.</p>
Audit fee update for 2014/15	<p>The proposed audit fee for 2014/15 remains at £219,510 for the Authority’s audit and £21,000 for the Pension Fund.</p>

Appendix 1 – 2014/15 Audit deliverables – Authority and Pension Fund

Deliverable	Purpose	Timing	Status
Planning			
Fee letter	Communicate indicative fee for the audit year.	April 2014	Issued April 2014
External audit plan	Outline our audit strategy and planned approach. Identify areas of audit focus and planned procedures.	March 2015	Not yet due
Interim			
Interim progress update – progress report	Details and resolution of control and process issues. Identify improvements required prior to the issue of the draft financial statements and the year-end audit. Initial VFM assessment on the Authority's arrangements for securing value for money in the use of its resources.	June 2015	Not yet due
Substantive procedures			
Report to those charged with governance (ISA+260 report)	Details the resolution of key audit issues. Communication of adjusted and unadjusted audit differences. Performance improvement recommendations identified during our audit. Commentary on the Authority's value for money arrangements.	Draft August 2015 Final September 2015	Not yet due
Completion			
Auditor's report	Providing an opinion on your accounts (including the Annual Governance Statement). Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the VFM conclusion).	September 2015	Not yet due
WGA	Concluding on the Whole of Government Accounts consolidation pack in accordance with guidance issued by the National Audit Office.	September 2015	Not yet due
Annual audit letter	Summarise the outcomes and the key issues arising from our audit work for the year.	October 2015	Not yet due
Certification of claims and returns			
Certification of claims and returns	Summarise the outcomes of certification work on your claims and returns.	December 2015	Not yet due