



**Portsmouth City Council**

Year ending 31 March 2013

**Audit Progress Report**

December 2013

Governance, Audit and Standards Committee  
Portsmouth City Council  
Civic Offices  
Guildhall Walk  
Portsmouth  
PO1 2AL

23 December 2013

Dear Sir/Madam

## **Audit Progress Report - 2012/13**

We are pleased to attach our December 2013 Audit Progress Report. The purpose of this report is to provide the Audit Committee with an overview of progress against the milestones set out in your 2012/13 Audit Plan and is the first step in ensuring that our audit is aligned with the Committee's service expectations.

Our audit is undertaken in accordance with the requirements of the Audit Commission Act 1998, the Code of Audit Practice, the Audit Commission Standing Guidance, 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

Kate Handy  
Director  
For and behalf of Ernst & Young LLP  
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# 1. Work completed

## **Assessment of the Council's internal controls**

We reviewed the design of the Council's core financial systems and tested the operation of key controls within those systems. We concluded that we could rely on them for opinion purposes and identified no issues of note to report to members.

## **Year end audit**

We issued our audit opinion on September 27<sup>th</sup> 2013, which was unqualified, and reported our findings in the Audit Results Report at the Committee meeting on 26<sup>th</sup> September.

## **Value for Money Conclusion**

We issued our conclusion on September 27<sup>th</sup> 2013, which was unqualified, and reported our findings in the Audit Results Report at the Committee meeting on 26<sup>th</sup> September.

## **Annual Audit Letter**

We certified the closure of the audit on October 4<sup>th</sup> 2013, when we issued our assurance statement in respect of the authority's Whole of Government Accounts consolidation pack.

The Annual Audit Letter was issued on October 30<sup>th</sup> 2013.

## **Grant claim certification**

We have completed our work on the certification of your claims and are bringing our Report on the audit of grant claims to the January 30<sup>th</sup> 2014 meeting.

## **Harbour Accounts Audit**

The Department for Transport have determined that the harbour accounts need to be prepared and audited, and the Audit Commission has confirmed we are appointed auditors for this engagement.

The Council is reviewing the draft accounts previously prepared, to ensure they are in Companies Act compliant format, and ensuring full supporting working papers are available. No date has yet been agreed for the audit of the accounts.

## 2. Timetable

### Audit Committee Timeline

We have set out below a timetable showing the key stages of the audit, including the value for money work and the whole of government accounts, and the deliverables we have agreed to provide to you through the 2012/13 Audit Committee cycle.

We have provided formal reports to the Audit Committee throughout our audit process as outlined below.

Audit phase	Timetable	Deliverables
High level planning:	<b>November</b>	Fee Letter
Risk assessment and setting of scopes	<b>November/ January</b>	
Testing of routine processes and controls	<b>February/March</b>	Audit Plan Interim Report (if required)
Value for money conclusion	<b>March/June</b>	Report to those charged with governance
Year-end audit	<b>July – September</b>	Report to those charged with governance
		Audit report (including our opinion on the financial statements and a conclusion as to whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources).
		Audit completion certificate
		Whole of Government Accounts Certification
Reporting	<b>October</b>	Annual Audit Letter
Grant claims	<b>December</b>	Report on the audit of grant claims

In addition to the above formal reporting and deliverables we have provided practical business insights and updates on regulatory matters through our Sector Briefings.

# Appendix 1: Audit Progress on Deliverables

## *Progress against key deliverables*

Key deliverable	Timetable in plan	Status	Comments
<b>Fee Letter</b>	December 2013	Completed	Reported to Chief Executive, Chair of Governance, Audit and Standards Committee, Head of Finance and Head of HR, Legal & Performance
<b>Audit Plan</b>	March 2013	Completed	Discussed with officers and agreed with Members at the March Committee
<b>Report to Those Charged with Governance</b>	September 2013	Completed	Presented to Governance, Audit and Standards Committee on 26/09/13
<b>Audit Report (including opinion and vfm conclusion)</b>	September 2013	Completed	Issued on 27/09/13
<b>Audit Certificate</b>	September 2013	Completed	Issued on 04/10/13
<b>WGA Certificate</b>	September 2013	Completed	Issued on 04/10/13
<b>Annual Audit Letter</b>	October 2013	Completed	Issued on 30/10/13
<b>Report on the Audit of Grant Claims</b>	December 2013	Completed	Issued on 24/12/13

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