



Portsmouth City Council

Year ending 31 March 2015

Audit Progress Report

January 2015

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

05 January 2015

Dear Sir/Madam

Audit Progress Report – 2014/15

We are pleased to attach our January 2015 Audit Progress Report. The purpose of this report is to provide the Audit Committee with an overview of progress with the 2014/15 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

Audit Plan

We have discussed our initial thoughts on the key risks for the 2014/15 audit with officers but our planning is still underway. We intend to present our audit plan to the March 2015 Governance and Audit and Standards Committee.

Assessment of the Council's internal controls

We plan to review the design of the majority of the Council's core financial systems and test the operation of key controls within those systems in February 2015. This will inform the audit strategy in our Audit Plan referred to above

Year end audit

We plan to commence our final accounts audit in late July 2015 and complete our fieldwork by the end of August. We have been in ongoing discussion with officers on a number of issues;

- with the Oracle team: about obtaining the necessary data for our analytics work;
- with the financial accounting team: about
 - emerging technical and accounting issues (in particular the changed requirements for accounting for infrastructure assets),
 - on improvements to the valuation and disclosure of Plant Property and Equipment, and
 - on bringing forward substantive testing to our interim visit and improving the audit process.
- with internal audit: about relying on their work where appropriate.

Value for Money Conclusion

We have not yet scheduled our work on the VFM conclusion.

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.

We are awaiting draft accounts for 2012/13 and 2013/14, and full supporting working papers. No date has yet been agreed for the audits of the accounts.

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