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External audit progress report and technical update

Barnsley MBC

June 2016

This report provides the audit committee with an overview on progress in delivering our responsibilities as your external auditors.

The report also highlights the main technical issues which are currently having an impact in local government.

If you require any additional information regarding the issues included within this report, please contact a member of the audit team.

We have flagged the articles that we believe will have an impact at the Authority and given our perspective on the issue:

- High impact
- Medium impact
- Low impact
- For info

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KPMG RESOURCES	
No new items since our last update in March 2016	
TECHNICAL UPDATE	
No new items since our last update in March 2016	
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Progress report

External audit progress report – June 2016

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.

Area of responsibility	Commentary
Audit Planning	We have completed our risk based audit planning for the 2015/16 audit of your financial statements and VFM conclusion. The Audit Plan has been agreed with management and was presented to the Audit Committee in March 2016.
Financial statements	<p>Our interim audit on-site visit took place in February 2016. We covered the following areas during our interim audit:</p> <ul style="list-style-type: none"> • Update of our risk assessment; • Review of the Authority's general control environment; • Testing of certain controls over the Authority's key financial systems; • Testing of high level controls over bank reconciliations and budgetary control; and • Review of the Authority's accounts production process, including some work to address the specific risk areas we have identified for this year. <p>We have nothing to bring to the Audit Committee's attention as a result of our interim audit work.</p> <p>Our audit of your draft financial statements will take place during July/August 2016 and we will issue our opinion on your financial statements by 30 September 2016.</p>
Value for Money	<p>Our work on the VFM conclusion has commenced as part of our interim audit and will conclude during our final accounts visit in July/August 2016.</p> <p>At this stage we have nothing to report to the Audit Committee in respect of the Authority's VFM arrangements.</p> <p>We will issue our VFM conclusion by 30 September 2016.</p>
Certification of claims and returns	<p>The Housing Benefit & Council Tax Benefit Claim is the only grant remaining under the PSAA Ltd regime. We are discussing the timing of this audit with officers and we will report before the deadline of 30 November 2016.</p> <p>We will discuss the certification of any grants outside of the PSAA Ltd regime with officers in due course.</p>
Other work	Our work in relation to a letter from a member of the public is ongoing. Any additional fee in relation to this will be agreed with officers and reported to the Audit Committee.

Appendix

Appendix 1 – 2015/16 Audit deliverables

Deliverable	Purpose	Timing	Status
Planning			
Fee letter	Communicate indicative fee for the audit year	April 2015	Complete
External audit plan	Outline our audit strategy and planned approach Identify areas of audit focus and planned procedures	January 2016	Complete
Interim			
Interim 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 Council's arrangements for securing value for money in the use of its resources.	Not applicable. Update provided to Audit Committee as part of this progress report	Complete
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 Council's value for money arrangements.	September 2016	TBC
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 2016	TBC
WGA	Concluding on the Whole of Government Accounts consolidation pack in accordance with guidance issued by the National Audit Office.	September 2016	TBC
Annual audit letter	Summarise the outcomes and the key issues arising from our audit work for the year.	November 2016	TBC
Certification of claims and returns			
Certification of claims and returns report	Summarise the outcomes of certification work on your claims and returns for Government departments.	December 2016	TBC



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