



Technical update

Incorporating the External Audit Progress Report

Barnsley Metropolitan Borough Council

May 2018

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in connection with this
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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 information



External audit progress report

External audit progress report

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
Financial statements	<i>We are due to commence our year end audit work w/c 11th June following receipt of the draft financial statements. We will report any findings to audit committee as part of our year end report on 20 July 2018.</i>
Value for Money	<i>Our value for money work is still ongoing and we will report our findings as part of our year end report on 20 July 2018.</i>
Certification of claims and returns	<i>We have commenced planning our audit of the Housing Benefit return. We anticipate auditing the following other grants and returns for 2017/18:</i> <ul style="list-style-type: none"> - <i>Teachers Pension Return</i> - <i>Pooling of Housing Capital Receipts</i>
Other work	<i>Our pensions team has been commissioned to undertake work in relation to the impact of the Local Government Pension Scheme surplus on Barnsley MBC.</i>



Technical developments

NAO Report - Financial Sustainability

Level of impact: ● For information

The NAO has recently published a report on the financial sustainability of local authorities in 2018.

Since 2010, successive governments have reduced funding for local government in England as part of their efforts to reduce the fiscal deficit. Changes in funding arrangements and new pressures on demand have created both new opportunities and further pressures for the sector.

This study assesses financial and demand conditions in the sector and the implications for local authority financial and service sustainability.

It also reviews the stewardship role of the Ministry of Housing, Communities and Local Government, and the role of other departments with local service responsibilities, in relation to the local government financial service sustainability.

A copy of the report can be accessed from the NAO website at the following link:

<https://www.nao.org.uk/report/financial-sustainability-of-local-authorities-2018/>

The report concludes that the financial future for many authorities is less certain than in 2014, and risks longer term value for money. Financial pressures have increased since previous studies in 2010-11 but the sector is managing these substantial reductions in funding well.

Local Government Supporting Information - Indicative timescales

Level of impact: ● For information

With the earlier deadline applying to local government audits this year, the expected timescale for the issue of the suite of supporting information for the accounts is as follows:

- Confirmation of Debt Management Account Deposit Facility (DMADF) balances - issued April 2018
- PwC review of IAS 19 reporting on the Local Government Pension Scheme - expected late-May
- Gerald Eve final market report 2017-18 - expected early-June
- Gerald Eve review of qualifications, resources, objectivity and approach of the Valuation Office Agency in respect of its work for local government bodies for the year ended 31 March 2018 - expected early-May; and
- Fair value supporting information in respect of Arlingclose and Capita Asset Services (now part of Link Group) - expected early-May.

Both Auditors and local government bodies may wish to be aware of the above expected dates of issue.

Whole of Government Accounts – Local government submission timetable

Level of impact: ● For information

Her Majesty's Treasury (HMT) has confirmed the Whole of Government Accounts (WGA) submission timetable for local government, within the HMT April WGA newsletter. It is confirmed that local government bodies should submit on the following dates:

- 14th June – submit Cycle 1 – unaudited WGA Data Collection Tool; and
- 31st August – submit Cycle 2 – audit reviewed Data Collection Tool, management review form, and a copy of the audited accounts.

It is expected the Data Collection Tool for 2017/18 will be released in May.

Both Auditors and local government bodies may wish to be aware of the above submission deadlines.



Appendix

Appendix 1

2017/18 audit deliverables

Deliverable	Purpose	Timing	Status
Planning			
External audit plan	Outline our audit strategy and planned approach Identify areas of audit focus and planned procedures	March 2018	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.	July 2018	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).	July 2018	TBC
WGA	Concluding on the Whole of Government Accounts consolidation pack in accordance with guidance issued by the National Audit Office.	August 2018	TBC
Annual audit letter	Summarise the outcomes and the key issues arising from our audit work for the year.	TBC	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.	TBC	TBC



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