



Governance & Audit Committee 18 April 2016

External Audit Progress Report and Technical Update

Purpose of report

To provide an overview of audit progress and a technical update prepared by the Council's External Auditors, KPMG.

Attachment(s):

Appendix 1 – External Audit Progress Report and Technical Update

1.0 Introduction

1.1 KPMG are the Council's appointed External Auditors for 2015/16.

2.0 External Audit Progress

2.1 The document in Appendix 1 provides the Governance and Audit Committee with an overview of progress by KPMG in delivering their responsibilities as the council's external auditors.

2.2 The report highlights the following:

- What work has been undertaken, with a summary of progress against each deliverable
- Work over the next quarter
- What areas the auditors are likely to focus on

3.0 Technical Update

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

3.2 Further detail on the technical updates can be seen in the report at Appendix 1. These can be summarised as follows:

- New Value for Money Guidance issued by National Audit Office
- New local audit framework with audit contract for large local government bodies including district councils to be extended to include 2017/18 financial statements
- Local Government Association (LGA) proposal to support the appointment of Public Sector Audit Appointments Ltd (PSAA) as the sector-led body to procure future audit contracts for local government
- Account and Audit Regulations 2015 requiring local authorities to produce and publish a narrative statement along with the financial statements
- Account and Audit Regulations 2015 new arrangements for the exercise of public rights from 2015/16 onwards meaning authorities cannot approve audited accounts or publish them before 15 July 2016
- Local Audit and Accountability Act 2014 where certain provisions came into force and are applicable to auditors' work for the year 2015/16
- PSAA published consultation on 2016/17 audit work programme and scales of fees
- 2015/16 Code of Practice on Local Authority Accounting update issued by CIPFA/LASAAC

4.0 Equality and Diversity Implications

4.1 There are no known equalities issues arising from this report.

5.0 Legal Implications

5.1 There are no known legal implications arising from this report.

6.0 Risk Management

6.1 The audit plan in Appendix 1 identifies the key risks for the financial statements audit.

7.0 Resource and Financial Implications

7.1 The 2015/16 planned audit fee is £45,030. This is based on the Audit Plan 2015/16, which is a separate report to Governance and Audit Committee on 18 April 2016. Changes to the audit plan may result in changes to the audit fee.

8.0 Constitutional Implications

8.1 The report does not require any amendment to the Council's Constitution.

9.0 Customer Service Implications

9.1 There are no customer service implications arising from the report.

10.0 Corporate Outcomes

10.1 This report links to the Corporate Outcome of Effective Management.

(Demonstrating financial sustainability over the medium term, contributing to the effective management of the Council)

11.0 Recommendations

11.1 The Governance and Audit Committee is asked to:

Note the contents of this report and the External Audit Plan 2015/16.

(Reason – this is an information report which sets out the arrangements for 2015/16 External Audit of the Statement of Accounts)

Legal	Power: Audit Commission Act 1998, the Local Government Act 1999 and the Audit Commission's Code of Audit Practice.				
	Other considerations:				
Background Papers:					
Person Originating Report: Michelle Drewery, Finance Manager mdrewery@east-northamptonshire.gov.uk					
Date: 24/03/16					
CFO		DMO		CX	

(Committee Report Normal Rev. 22)



cutting through complexity

External audit progress report and technical update

**East Northamptonshire
Council**

March 2016

This report provides the Governance and 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

PROGRESS REPORT					
External audit progress report					3
KPMG RESOURCES					
KPMG Local Government Budget Survey					5
TECHNICAL UPDATE					
National Audit Office Value for Money Conclusion guidance	●	7	Consultation on 2016/17 audit work programme and scales of fees	●	16
New local audit framework	●	8	2015/16 Code of Practice on Local Authority Accounting in the United Kingdom (the Code) – update	●	17
LGA Chief Executive communication to s151 officers.	●	9	Capital receipts flexibility	●	18
Accounts and Audit Regulations 2015 – Narrative statements	●	10	NAO report – Local Government New Burdens	●	16
Accounts and Audit Regulations 2015 – Exercise of public rights	●	11	Proposed changes to business rates and core grant	●	20
Local Audit and Accountability Act 2014: Provisions affecting auditors' work from 1 April 2015	●	12	Public Sector Audit Appointments Ltd (PSAA) – VFM profiles update	●	21
APPENDIX					
Appendix 1 – 2015/16 audit deliverables					23



cutting through complexity

Progress report

This document provides the Governance and 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
<p>2015/16 Planning</p>	<p>We have undertaken our work on planning the 2015/16 audit. We have held a meeting with key finance officers to discuss:</p> <ul style="list-style-type: none"> • Relevant current and emerging issues in respect of the accounts and value for money conclusion; • Learning opportunities from the 2014/15 audit which we can use to improve the process in 2015/16; and • Updating our risk assessment and developing our detailed Audit Plan which we have included on this agenda. This will set out the scope of the audit in more detail. <p>Since the last meeting of the Governance and Audit Committee we have:</p> <ul style="list-style-type: none"> • Held a series of local government accounts workshops focussed at Chief Accountants and similar staff who will be involved in and responsible for the 2015/16 close down and statement of accounts; • Held a workshop focussed on Local Government early closure of accounts; and • Undertaken our interim audit. <p>Our work over the coming quarter will include:</p> <ul style="list-style-type: none"> • Ongoing liaison with finance staff; • Meeting with Senior Officers as part of the audit process to better understand the current and longer term issues that the council is addressing; and • Liaising with internal audit with a view to maximising audit efficiency (whilst recognising the differences in our roles). <p>At this stage our work is likely to include particular focus on:</p> <ul style="list-style-type: none"> • The Authority's arrangements in relation to the Value for Money criteria (we have included a link to the new guidance in our technical update included with this report); and • The impact on our audit of any changes to the accounts as a result of central guidance.



cutting through complexity

KPMG resources

Area	Comments
<p>KPMG Local Government Budget Survey</p>	<p>KPMG has recently published the results of its Local Government Budget Survey. The survey collated data from 97 KPMG local authority clients on topics including:</p> <ul style="list-style-type: none"> ■ The content of budget monitoring reports; ■ Savings plans; ■ Invest-to-save projects ■ The type of savings being made; ■ Assumptions underlying the medium term financial plan; and ■ Reserve movements. <p>The Survey also poses questions for management and members to consider when reviewing their budget setting and budget monitoring processes.</p> <p>The results of the Survey have been shared with your finance team.</p> <p>For more information, and a copy of the report, please contact Yola Geen on 07785 590300 or yola.geen@kpmg.co.uk</p>



cutting through complexity

Technical update

Area	Level of Impact	Comments	KPMG perspective
<p>National Audit Office Value for Money Conclusion guidance</p>	<p>● Medium</p>	<p>The National Audit Office (NAO) issued new Value for Money guidance for auditors in November 2015. The new NAO guidance states that auditors are required to reach their statutory conclusion on arrangements to secure VFM based on the following overall evaluation criterion:</p> <p><i>In all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.</i></p> <p>There are three sub-criteria that are intended to guide auditors in reaching their overall judgements:</p> <ul style="list-style-type: none"> ▪ informed decision making; ▪ sustainable resource deployment; and ▪ working with partners and other third parties. <p>The guidance sets out:</p> <ul style="list-style-type: none"> ■ The general framework for the auditor’s assessment, within the Act and the Code of Audit Practice ■ The expected areas of focus in determining whether the audited bodies’ arrangements are adequate ■ The expected risk based audit approach and the reporting arrangements ■ Sector specific guidance for NHS and Foundation Trusts, CCGs, local government, police, fire and rescue and other bodies. The guidance also provides illustrative examples of the types of developments that auditors would be likely to consider to be ‘significant risks’ and sets out the actions they would be expected to take. <p>https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/</p>	<p><i>We will discuss the guidance with officers and report our findings to the Governance and Audit Committee in September 2016.</i></p>

Area	Level of impact	Comments	KPMG perspective
<p>New local audit framework</p>	<p>● Low</p>	<p>The Local Audit and Accountability Act 2014 included transitional arrangements covering the audit contracts originally let by the Audit Commission in 2012 and 2014. These contracts covered the audit of accounts up to 2016/17, and gave the Department for Communities and Local Government (DCLG) the power to extend these contracts to 2019/20.</p> <p>DCLG have now announced that the audit contracts for large local government bodies (including district, unitary and county councils, police and fire bodies, transport bodies, combined authorities and national parks) will be extended to include the audit of the 2017/18 financial statements. From 2018/19, local government bodies will need to appoint their own auditors; it is not yet clear whether there will be a sector-led body that is able to undertake this role on behalf of bodies.</p> <p>CIPFA have now issued guidance that was commissioned by DCLG on the creation of Auditor Panels. The guidance is available at www.cipfa.org/policy-and-guidance/publications/g/guide-to-auditor-panels-pdf The guidance provides options on establishing an Auditor Panel, and the roles and responsibilities the panels will have once established.</p> <p>NHS and smaller local government bodies (town and parish councils, and internal drainage boards), will not have their contracts extended, and will have to appoint their own auditors for 2017/18, one year earlier than for larger local government bodies.</p>	<p><i>Members may wish to review the CIPFA guidance and begin initial discussions with colleagues about the approach the Authority may wish to adopt.</i></p>

Area	Level of Impact	Comments	KPMG perspective
<p>LGA Chief Executive communication to s151 officers. Sector-led body for the appointment of external auditors – opt-in sought</p>	<p style="text-align: center;">● Low</p>	<p>The LGA intends to support the appointment of PSAA as the sector-led body for local government to procure future audit contracts . Its analysis indicates that this would be far cheaper for councils than every council procuring their external auditor separately. It would avoid the need for hundreds of separate procurement exercises and also has the advantage for councils making use of this procurement vehicle that it saves the time and costs which would otherwise be required to establish an Independent Auditor Panel.</p> <p>The LGA Chief Executive has written to S151 officers to ask Authorities to express an interest in this by 30 April 2016, in order to assist it in continuing to progress its efforts on behalf of the sector to secure efficient, cost effective and good quality arrangements. This expression of interest is not a binding commitment, and the LGA hopes to send out formal invitations later in the year.</p>	<p><i>The Committee may wish to discuss the Council's response with officers.</i></p>

Area	Level of Impact	Comments	KPMG perspective
Accounts and Audit Regulations 2015 – Narrative statements	<p style="text-align: center;">● Low</p>	<p>Authorities will need to be aware that the <i>Accounts and Audit Regulations 2015</i> require local authorities to produce and publish a narrative statement. Section 8 of the Regulations, which apply first from the 2015/16 financial year, states:</p> <p><i>Narrative statements</i></p> <ol style="list-style-type: none"> 1) <i>A Category 1 authority must prepare a narrative statement in accordance with paragraph (2) in respect of each financial year.</i> 2) <i>A narrative statement prepared under paragraph (1) must include comment by the authority on its financial performance and economy, efficiency and effectiveness in its use of resources over the financial year.</i> <p>Authorities will need to publish the narrative statement along with the financial statements. The narrative statement does not form part of the financial statements and is therefore not subject to audit. As part of their audit work however, auditors will need to review the statement for consistency with their knowledge.</p> <p>The narrative statement replaces the explanatory foreword and will need to be prepared in accordance with CIPFA/LASAAC's <i>Code of Practice on Local Authority Accounting</i> (the accounting code). The 2016/17 accounting code will contain high level principles for authorities to follow when preparing their narrative statements. The principles set out in the accounting code will also be relevant to 2015/16 and we understand that CIPFA/LASAAC is likely to publish an update to the 2015/16 accounting code to clarify this.</p>	<p><i>The Committee may wish to seek assurances that their authorities have arrangements in place to meet the new requirements</i></p>

Area	Level of Impact	Comments	KPMG perspective
Accounts and Audit Regulations 2015 – Exercise of public rights	<p style="text-align: center;">● Low</p>	<p>Authorities will be aware that the Accounts and Audit Regulations 2015 (the Regulations) set out new arrangements for the exercise of public rights from 2015/16 onwards.</p> <p>Paragraph 9(1) of the Regulations requires the responsible financial officer to commence the period for the exercise of public rights and to notify the local auditor of the date on which that period was commenced.</p> <p>Paragraph 9(2) is clear that the final approval of the statement of accounts by the authority prior to publication cannot take place <i>until after the conclusion of the period for the exercise of public rights</i>.</p> <p>As the thirty working day period for the exercise of public rights must include the first ten working days of July, this means that authorities will not be able to approve their audited accounts or publish them before 15 July 2016.</p>	<p><i>The Committee may wish to seek assurances that the necessary arrangements are in place for their Authority.</i></p>

Area	Level of Impact	Comments	KPMG perspective
<p>Local Audit and Accountability Act 2014 – provisions affecting auditors’ work from 1 April 2015</p>	<p>● Low</p>	<p>With effect from 1 April 2015, certain provisions of the <i>Local Audit and Accountability Act 2014</i> (LAAA 2014) came into force and are applicable to auditors’ work for the year 2015/16. Whilst the <i>Audit Commission Act 1998</i> is transitionally saved for auditors engaged in planning work for 2015/16, or possibly considering public interest reports (PIRs) to be made during 2015/16, they need to be aware of the provisions of LAAA 2014 that are already in force.</p> <p>Provisions affecting auditors’ work with effect from 1 April 2015 are:</p> <p>1) <i>New duty to publish PIRs on audited bodies’ websites</i></p> <p>Under the new audit regime, there is an emphasis on the publication of relevant information on the relevant authority’s website. The following provisions are relevant to auditors carrying out work on 2015/16 if they decide to issue a public interest report during the audit.</p> <p>Under Schedule 7 LAAA 2014, the following matters must be published on the relevant authority’s website (if it has one):</p> <ul style="list-style-type: none"> ■ PIRs (relating to the relevant authority or a connected entity); ■ notice of a meeting to consider a PIR/written recommendation; and ■ notice summarising those decisions approved by the auditor as a result of consideration of the PIR/recommendation. <p>Where the relevant authority does not have a website, it is instead generally required to make the relevant publication “in such manner as it thinks is likely to bring the notice or report to the attention of persons who live in its area”. This could be, for example, in a local newspaper (as was required in certain cases under the previous legislation).</p>	<p><i>The Committee need to be aware of the provisions that are in place from 1 April 2015</i></p>

Area	Level of Impact	Comments	KPMG perspective
<p>Local Audit and Accountability Act 2014 – provisions affecting auditors’ work from 1 April 2015 (continued)</p>	<p>● Low</p>	<p>2) Prohibition on disclosure</p> <p>The prohibition against disclosure that was previously to be found in section 49 of the <i>Audit Commission Act 1998</i> has been repealed and replaced by provisions in Schedule 11 of LAAA 2014. This change has not been transitionally introduced and auditors and local authority bodies need to be aware that this applies to all audits, irrespective of the year. Thus, any reference to the prohibition against disclosure needs to be to Schedule 11 and not section 49. There are no material differences between the two sets of provisions.</p> <p>3) Connected entities</p> <p>LAAA 2014 introduces a new concept into the audit regime, “connected entities”. Connected entities are bodies that are separate to the relevant authority, but are associated with the authority in such a manner that requires the authority to record financial information relating to the entity in its accounts.</p> <p>The full definition of “connect entities” is set out in paragraph 8 of Schedule 4 LAAA 2014.</p> <p>For the purposes of this Act, an entity (“E”) is connected with a relevant authority at any time if E is an entity other than the relevant authority and the relevant authority considers that, in accordance with proper practices in force at that time:</p> <ul style="list-style-type: none"> ■ the financial transactions, reserves, assets and liabilities of E are to be consolidated into the relevant authority's statement of accounts for the financial year in which that time falls; ■ the relevant authority's share of the financial transactions, reserves, assets and liabilities of E is to be consolidated into the relevant authority's statement of accounts for that financial year; or ■ the relevant authority's share of the net assets or net liabilities of E, and of the profit or loss of E, are to be brought into the relevant authority's statement of accounts for that financial year. 	<p><i>The Committee need to be aware of the provisions that are in place from 1 April 2015</i></p>

Area	Level of Impact	Comments	KPMG perspective
<p>Local Audit and Accountability Act 2014 – provisions affecting auditors’ work from 1 April 2015 (continued)</p>	<p>● Low</p>	<p>3) Connected entities (continued)</p> <p>Authorities have a number of duties in relation to their connected entities under LAAA 2014 beyond those which are expanded on below:</p> <ul style="list-style-type: none"> ■ Auditors have a right to access documents (at all reasonable times) relating to connected entities, as well as those relating to the “parent” relevant authority. The auditor can inspect, copy or take away documents. The auditor can also require people who are in possession or are accountable for the document (or have been in the past) to provide the auditor with any information or explanation that may be needed, and can require a meeting with such persons. Where a document is stored electronically, the auditor can require assistance from the relevant person at the connected entity or relevant authority in accessing the document. The connected entity must provide the auditor with such facilities and information as are reasonably required to carry out the audit functions. ■ The right to information and explanation, or to require a meeting, extends in relation to connected entities to: <ul style="list-style-type: none"> – any persons elected or appointed to an entity; – any employee of the entity; and – an auditor of the accounts of the entity. <p>Many of the provisions on PIRs and written recommendations in Schedule 7 apply to connected entities. Accordingly, auditors must consider whether a PIR should be made on any matter coming to their attention during the audit and relating to the authority and/or a connected entity. Similarly, an auditor may make a written recommendation to a relevant authority relating to a connected entity.</p>	<p><i>The Committee need to be aware of the provisions that are in place from 1 April 2015</i></p>

Area	Level of Impact	Comments	KPMG perspective
Local Audit and Accountability Act 2014 – provisions affecting auditors’ work from 1 April 2015 (continued)	<p style="text-align: center;">●</p> <p style="text-align: center;">Low</p>	<p>4) Power to call for information: exception for legally professionally privileged information</p> <p>Section 22(12) LAAA 2014 clarifies that the auditor’s right to information and documents cannot be used to compel disclosure of legally privileged information. If a person would be entitled to refuse to produce documents in legal proceedings in reliance on the doctrine of legal professional privilege, they are equally entitled to refuse to provide the relevant information or documents to the auditor. This is a notable new provision and auditors will need to bear this in mind in requesting sight of an audited body’s own legal advice. Any provision of such will be voluntary and cannot be compelled.</p>	<p><i>The Committee need to be aware of the provisions that are in place from 1 April 2015</i></p>

Area	Level of Impact	Comments	KPMG perspective
<p>Consultation on 2016/17 audit work programme and scales of fees</p>	<p>● Low</p>	<p>Public Sector Audit Appointments Ltd (PSAA) has published its consultation on the 2016/17 proposed work programme and scales of fees.</p> <p>The consultation sets out the work that auditors will undertake at principal audited bodies for 2016/17, with the associated scales of fees. The consultation documents, and list of individual proposed scale fees, are available on the PSAA website at www.psa.co.uk/audit-and-certification-fees/consultation-on-201617-proposed-fee-scales/</p> <p>There are no planned changes to the overall work programme for 2016/17. It is proposed that scale fees are set at the same level as the scale fees applicable for 2015/16, set by the Audit Commission before it closed in March 2015. The Commission reduced scale fees from 2015/16 by 25 per cent, in addition to the reduction of up to 40 per cent made from 2012/13.</p> <p>Following completion of the Audit Commission's 2014/15 accounts, PSAA has received a payment in respect of the Audit Commission's retained earnings.</p> <p>PSAA will redistribute this and any other surpluses from audit fees to audited bodies, on a timetable to be established shortly.</p> <p>The work that auditors will carry out on the 2016/17 accounts will be completed based on the requirements set out in the Local Audit and Accountability Act 2014 and under the Code of Audit Practice published by the National Audit Office.</p> <p>The consultation closed on Friday 15 January 2016. PSAA will publish the final work programme and scales of fees for 2016/17 in March 2016.</p>	<p><i>The Committee may wish to seek assurances on how their Authority have responded to the consultation.</i></p>

Area	Level of Impact	Comments	KPMG perspective
2015/16 Code of Practice on Local Authority Accounting in the United Kingdom (the Code) – update	<p style="text-align: center;">● Low</p>	<p>CIPFA/LASAAC has issued an update to the <i>2015/16 Code of Practice on Local Authority Accounting in the United Kingdom</i> (the Code) following its consultation process. The 2015/16 Code update should be read alongside the 2015/16 Code published in April 2015.</p> <p>Authorities should note that the update confirms the transitional reporting requirements for the measurement of the Highways Network Asset. The Code does not require a change to the preceding year information for the move to measuring the Highways Network Asset at current value (and under that provision would not require a change to the balance sheet information at 1 April 2015). It also does not require a restatement of the opening 1 April 2016 information but there will need to be an adjustment to those balances.</p> <p>The Code update also includes amendments as a result of legislative changes and particularly the <i>Accounts and Audit Regulations 2015</i> for English authorities. It specifies the principles for narrative reporting which CIPFA/LASAAC considers should be used to meet the new requirements of those regulations.</p>	<p><i>The Committee may wish to seek assurances that their Authority is aware of the update to the 2015/16 Code.</i></p>

Area	Level of Impact	Comments	KPMG perspective
Capital receipts flexibility	<p style="text-align: center;">● Low</p>	<p>The 2015 Spending Review included an announcement that local authorities would be able to use capital receipts on the revenue costs of service reform projects. The Department for Communities and Local Government (DCLG) has now issued guidance on the capital receipts flexibility, including a draft direction setting out the types of project that would qualify and expected governance and transparency framework. In summary:</p> <ul style="list-style-type: none"> ■ the flexibility is available from 1 April 2016 to 31 March 2019; ■ only capital receipts generated during that period can be used for the flexibility; ■ the Secretary of State’s direction will have the effect of allowing authorities to treat revenue expenditure on service reform as capital during the three year period; ■ authorities will not be allowed to borrow to fund revenue expenditure on service reform; and ■ authorities are required to have regard to a statutory code which contains certain transparency requirements when taking advantage of the flexibility. <p>We understand that DCLG’s aim is that the final signed direction will be issued with the final settlement in February 2016.</p> <p>A copy of the draft guidance can be found at www.gov.uk/government/uploads/system/uploads/attachment_data/file/486999/Capital_receipts_flexibility - draft statutory guidance and direction.pdf</p>	<p><i>The Committee may wish to seek assurances how their Authority is planning to use the new flexibility.</i></p>

Area	Level of Impact	Comments	KPMG perspective
NAO report – Local Government New Burdens	<p style="text-align: center;">● Low</p>	<p>This report from the NAO considers how well central government has applied the New Burdens Doctrine. This sets out how the government would ensure that new requirements that increased local authorities' spending did not lead to excessive council tax increases. The focus of this report is more on central government but includes findings that may also be of interest to local government bodies.</p> <p>The report is available from the NAO website at www.nao.org.uk/report/local-government-new-burdens/</p>	<p><i>The Committee may wish to review the report to understand what impact this could have at the local government level</i></p>

Area	Level of Impact	Comments
<p>Proposed changes to business rates and core grant</p>	<p>● For Information</p>	<p>The Chancellor of the Exchequer has proposed some radical reforms of local government finance. The proposals are that by the end of the decade, councils will retain all locally raised business rates but will cease to receive core grant from Whitehall.</p> <p>The Chancellor set out the landmark changes in a speech to the Conservative party conference in Manchester, saying it was time to face up to the fact that “the way this country is run is broken”.</p> <p>Under the proposals, authorities will be able to keep all the business rates that they collect from local businesses, meaning that power over £26 billion of revenue from business rates will be devolved, he said</p> <p>The uniform national business rate will be abolished, although only to allow all authorities the power to cut rates. Cities that choose to move to systems of combined authorities with directly elected city wide mayors will be able to increase rates for specific major infrastructure projects, up to a cap, likely to be set at 2p on the rate.</p> <p>The system of tariffs and top-ups designed to support areas with lower levels of business activity will be maintained in its present state.</p>

Area	Level of Impact	Comments
<p>Public Sector Audit Appointments Ltd (PSAA) – VFM profiles update</p>	<p>● For Information</p>	<p>Public Sector Audit Appointments Ltd (PSAA) maintain the Value for Money profiles tool (VFM profiles) initially developed by the Audit Commission. The profiles were updated on 1 October 2015.</p> <p>The VFM profiles planned budget section now contains the 2015/16 data sourced from the Department for Communities and Local Government – General Fund Revenue Account Budget (RA). The values are adjusted with gross domestic product (GDP) deflators from the HM Treasury's publication in June 2015. The profiles can be accessed through the PSAA's homepage at http://www.psa.co.uk/</p> <p>Other sections of the VFM profiles have also been updated with the latest data values for the following data sources:</p> <ul style="list-style-type: none"> ■ Inequality gap (2012/13) ■ Fuel poverty (2013) ■ Climate change (2013) ■ Alcohol related admissions (2013/14) ■ Mid-year population estimates (2014) ■ Chlamydia testing (2014) ■ Participation in education or work-based learning (2014) ■ Housing benefit speed of processing (2014/15) ■ CT and NNDR collection rates (2014/15) ■ NHS health checks (2014/15) ■ Planning applications (Quarter 4 2014/15) ■ Delayed transfers of care (Quarter 1 2015) ■ Under 5 provision (2015)



cutting through complexity

Appendix

Appendix 1 – 2015/16 Audit deliverables

Deliverable	Purpose	Timing	Status
Planning			
Fee letter	Communicate indicative fee for the audit year	April 2015	Done
External audit plan	Outline our audit strategy and planned approach Identify areas of audit focus and planned procedures	March 2016	To be presented in April 2016
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.	If Required	TBC
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.	October 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.	February 2017	TBC



cutting through complexity

© 2016 KPMG LLP, a UK limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (“KPMG International”), a Swiss entity. All rights reserved.

The KPMG name, logo and “cutting through complexity” are registered trademarks or trademarks of KPMG International.