

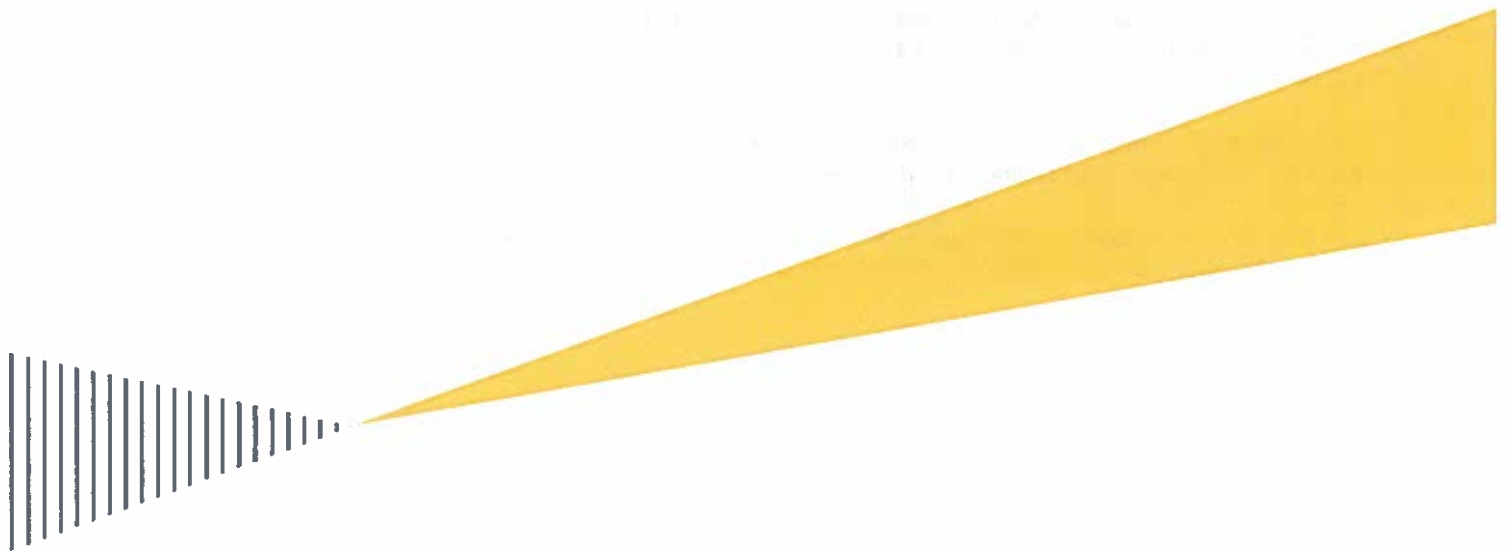
Mid Sussex District Council

Year ending 31 March 2016

Audit Plan

March 2016

Ernst & Young LLP



Building a better
working world



EY

Building a better
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Audit Committee
Mid Sussex District Council
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3 March 2016

Dear Committee Members

Audit Plan

We are pleased to attach our Audit Plan which sets out how we intend to carry out our responsibilities as auditor. Its purpose is to provide the Audit Committee with a basis to review our proposed audit approach and scope for the 2015-16 audit in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements. It is also to ensure that our audit is aligned with the Committee's service expectations.

This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks for 2015-16.

We welcome the opportunity to discuss this Audit Plan with you on 16 March 2016 and to understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Paul King

Director
For and behalf of Ernst & Young LLP
Enc

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued "Statement of responsibilities of auditors and audited bodies 2015-16". It is available from the Chief Executive of each audited body and via the PSAA website (www.psaa.co.uk)

The Statement of responsibilities serves as the formal terms of engagement between appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The 'Terms of Appointment from 1 April 2015' issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Audit Plan is prepared in the context of the Statement of responsibilities. It is addressed to the Audit Committee, and is prepared for the sole use of the audited body. We, as appointed auditor, take no responsibility to any third party.

Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

1. Overview

This Audit Plan covers the work that we plan to perform to provide you with:

- ▶ Our audit opinion on whether the financial statements of Mid Sussex District Council give a true and fair view of the financial position as at 31 March 2016 and of the income and expenditure for the year then ended;
- ▶ Our conclusion on the Council's arrangements to secure economy, efficiency and effectiveness;

We will also review and report to the National Audit Office (NAO), to the extent and in the form required by them, on the Council's Whole of Government Accounts return.

Our audit will also include the mandatory procedures that we are required to perform in accordance with applicable laws and auditing standards.

When planning the audit we take into account several key inputs:

- ▶ Strategic, operational and financial risks relevant to the financial statements;
- ▶ Developments in financial reporting and auditing standards;
- ▶ The quality of systems and processes;
- ▶ Changes in the business and regulatory environment; and,
- ▶ Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter and our feedback is more likely to be relevant to the Council.

2. Financial statement risks

We outline below our current assessment of the financial statement risks facing the Council, identified through our knowledge of the Council's operations and discussion with those charged with governance and officers.

At our meeting, we will seek to validate these with you.

Significant risks (including fraud risks)	Our audit approach
National Non-Domestic Rates (NNDR) rateable value appeals provision	
<p>The Business Rates Retention Scheme came into force on 1 April 2013. Under the scheme half of the business rates collected by councils are retained locally and half paid over to central government.</p> <p>The level of NNDR paid on business property depends on its 'rateable value'. This is calculated by the Valuation Office Agency (VOA).</p> <p>Where local businesses believe the current value for business properties is wrong they can:</p> <ul style="list-style-type: none"> • appeal to the VOA and ask them to correct details • appeal the rates if the local business and the VOA can't agree. This appeal is heard by a valuation tribunal. <p>Where rating appeals are successful, monies to settle appeals will come out of the Council's funds and will also impact on other local public bodies that precept on the Council. As appeals are to the VOA, authorities may not be aware of the level of claims. Appeals can be speculative in nature and multiple appeals can be made against the same property and valuation on different grounds.</p> <p>The potential cost of successful rateable value appeals is significant to the Council. There is also a high level of estimation uncertainty in determining an accurate provision for the cost in the financial statements.</p> <p>From our review of the provision in 2014-15, we identified that the Council did not review the assumptions or calculations made by the management's expert in computing the provision. The Council also did not reflect known developments and conditions affecting specific elements of the provision.</p> <p>The Council has brought the calculation of the provision in-house for 2015-16, dispensing with the use of the external expert used in previous years. At this stage it is not clear how this might affect the Council's</p>	<p>We will seek to understand and assess the reasonableness of the Council's methodology in estimating any planned provision in respect of rateable value appeals at the balance sheet date.</p> <p>This will involve consideration of both the completeness and accuracy of the data on the number of appeals and the basis for the assumptions made by the Council on the likelihood of success.</p>

approach to the estimation of the provision and consequently the impact on the financial statements. Given also the significance and degree of estimation in determining the provision we have at this stage assessed this as a significant risk.

Risk of management override

As identified in ISA (UK and Ireland) 240, management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records directly or indirectly and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. We identify and respond to this fraud risk on every audit engagement.

Our approach will focus on:

- ▶ Testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
- ▶ Reviewing accounting estimates for evidence of management bias, and
- ▶ Evaluating the business rationale for significant unusual transactions

2.1 Responsibilities in respect of fraud and error

We would like to take this opportunity to remind you that management has the primary responsibility to prevent and detect fraud. It is important that management, with the oversight of those charged with governance, has a culture of ethical behaviour and a strong control environment that both deters and prevents fraud.

Our responsibility is to plan and perform audits to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatements whether caused by error or fraud. As auditors, we approach each engagement with a questioning mind that accepts the possibility that a material misstatement due to fraud could occur, and design the appropriate procedures to consider such risk.

Based on the requirements of auditing standards our approach will focus on:

- ▶ Identifying fraud risks during the planning stages;
- ▶ Enquiry of management about risks of fraud and the controls to address those risks;
- ▶ Understanding the oversight given by those charged with governance of management's processes over fraud;
- ▶ Consideration of the effectiveness of management's controls designed to address the risk of fraud;
- ▶ Determining an appropriate strategy to address any identified risks of fraud, and,
- ▶ Performing mandatory procedures regardless of specifically identified risks.

3. Value for money risks

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

For 2015-16 this is based on the overall evaluation criterion:

"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"

Proper arrangements are defined by statutory guidance issued by the National Audit Office. They comprise your arrangements to:

- Take informed decisions;
- Deploy resources in a sustainable manner; and
- Work with partners and other third parties.

In considering your proper arrangements, we will draw on the requirements of the CIPFA/SOLACE framework for local government to ensure that our assessment is made against a framework that you are already required to have in place and to report on through documents such as your annual governance statement.

We are only required to determine whether there are any risks that we consider significant, which the Code of Audit Practice which defines as:

"A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public"

Our risk assessment supports the planning of sufficient work to enable us to deliver a safe conclusion on arrangements to secure value for money and enables us to determine the nature and extent of further work that may be required. If we do not identify any significant risks there is no requirement to carry out further work.

Our risk assessment will therefore consider both the potential financial impact of the any issues we identify, and also the likelihood that any such issue will be of interest to local taxpayers, the Government and other stakeholders. Our initial planning and discussions with officers has not identified any significant risks which we view as relevant to our value for money conclusion at this stage. However, we will keep our risk assessment under review as the audit progresses.

4. Our audit process and strategy

4.1 Objective and scope of our audit

Under the Code of Audit Practice our principal objectives are to review and report on the Council's:

- ▶ Financial statements
- ▶ Arrangements for securing economy, efficiency and effectiveness in its use of resources to the extent required by the relevant legislation and the requirements of the Code.

We issue an audit report that covers:

1. Financial statement audit

Our objective is to form an opinion on the financial statements under International Standards on Auditing (UK and Ireland).

Alongside our audit report, we also review and report to the NAO on the Whole of Government Accounts return to the extent and in the form they require;

2. Arrangements for securing economy, efficiency and effectiveness (value for money)

We are required to consider whether the Council has put in place 'proper arrangements' to secure economy, efficiency and effectiveness on its use of resources.

4.2 Audit process overview

Processes

Our initial assessment of the key processes across the Council has identified the following key processes where we will seek to test key controls, both manual and IT:

- ▶ Accounts payable
- ▶ Accounts receivable
- ▶ Business rates
- ▶ Cash and bank

To the fullest extent permissible by auditing standards, we will seek to place reliance on the work of Internal Audit to test controls in its annual programme of work.

We have also identified the following key processes that we will test substantively post year-end:

- ▶ Council Tax
- ▶ Housing Benefit
- ▶ Payroll
- ▶ Property, Plant and Equipment
- ▶ Treasury management

- ▶ Financial Statements Close Process.

Analytics

We will use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries. These tools:

- ▶ Help identify specific exceptions and anomalies which can then be subject to more traditional substantive audit tests
- ▶ Give greater likelihood of identifying errors than random sampling techniques.

We will report the findings from our process and analytics work, including any significant weaknesses or inefficiencies identified and recommendations for improvement, to management and the Audit Committee.

Internal audit

As in prior years, we will review internal audit plans and the results of their work. We will reflect the findings from these reports, together with reports from any other work completed in the year, in our detailed audit plan, where we raise issues that could have an impact on the year-end financial statements

Use of specialists

When auditing key judgements, we are often required to rely on the input and advice provided by specialists who have qualifications and expertise not possessed by the core audit team. The areas where either EY or third party specialists provide input for the current year audit are:

Area	Specialists
IAS19 Pensions	EY pensions specialists Hymans Robertson - Actuary
Property, Plant and Equipment valuations	Wilkes, Head and Eve – RICS Registered Valuers

In accordance with Auditing Standards, we will evaluate each specialist's professional competence and objectivity, considering their qualifications, experience and available resources, together with the independence of the individuals performing the work.

We also consider the work performed by the specialist in light of our knowledge of the Council's environment and processes and our assessment of audit risk in the particular area. For example, we would typically perform the following procedures:

- ▶ Analyse source data and make inquiries as to the procedures used by the expert to establish whether the source data is relevant and reliable;
- ▶ Assess the reasonableness of the assumptions and methods used;
- ▶ Consider the appropriateness of the timing of when the specialist carried out the work; and
- ▶ Assess whether the substance of the specialist's findings are properly reflected in the financial statements.

4.3 Mandatory audit procedures required by auditing standards and the Code

As well as the financial statement risks (section two) and value for money risks (section three), we must perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations. We outline below the procedures we will undertake during the course of our audit.

Procedures required by standards

- ▶ Addressing the risk of fraud and error;
- ▶ Significant disclosures included in the financial statements;
- ▶ Entity-wide controls;
- ▶ Reading other information contained in the financial statements and reporting whether it is inconsistent with our understanding and the financial statements;
- ▶ Auditor independence.

Procedures required by the Code

- ▶ Reviewing, and reporting on as appropriate, other information published with the financial statements, including the Annual Governance Statement and the Remuneration Report
- ▶ Reviewing and reporting on the Whole of Government Accounts return, in line with the instructions issued by the NAO
- ▶ Reviewing and examining, where appropriate, evidence relevant to the Council's corporate performance management and financial management arrangements, and its reporting on these arrangements.

Finally, we are also required to discharge our statutory duties and responsibilities as established by the Local Audit and Accountability Act 2014.

4.4 Materiality

For the purposes of determining whether the financial statements are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in aggregate, could reasonably be expected to influence the users of the financial statements. Our evaluation requires professional judgement and so takes into account qualitative as well as quantitative considerations implied in the definition.

We have determined that overall materiality for the financial statements of the Council is £1.342 million, based on 2% of 2014/15 gross service expenditure. We will communicate uncorrected audit misstatements greater than £67,000 to you.

The amount we consider material at the end of the audit may differ from our initial determination. At this stage, however, it is not feasible to anticipate all the circumstances that might ultimately influence our judgement. At the end of the audit we will form our final opinion by reference to all matters that could be significant to users of the financial statements, including the total effect of any audit misstatements, and our evaluation of materiality at that date.

4.5 Fees

The duty to prescribe fees is a statutory function delegated to Public Sector Audit Appointments Ltd (PSAA) by the Secretary of State for Communities and Local Government.

PSAA has published a scale fee for all relevant bodies. This is defined as the fee required by auditors to meet statutory responsibilities under the Local Audit and Accountability Act 2014 in accordance with the NAO Code. The indicative fee scale for the audit of Mid Sussex District Council is £50,542.

4.6 Your audit team

The engagement team is led by Paul King, who has significant experience of the Council. Paul King is supported by Hannah Lill who is responsible for the day-to-day direction of audit work and is the key point of contact for the the Head of Finance and HR.

4.7 Timetable of communication, deliverables and insights

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. The timetable includes the deliverables we have agreed to provide to the Council through the Audit Committee's cycle in 2015-16. These dates are determined to ensure our alignment with PSAA's rolling calendar of deadlines.

From time to time matters may arise that require immediate communication with the Audit Committee and we will discuss them with the Chair as appropriate.

Following the conclusion of our audit we will prepare an Annual Audit Letter to communicate the key issues arising from our work to the Council and external stakeholders, including members of the public.

Audit phase	Timetable	Audit Committee timetable	Deliverables
High level planning	December - February	April 2015- March 2016	Audit Fee Letter Progress Report
Risk assessment and setting of scopes	December - February	March 2016	Audit Plan
Testing routine processes and controls	February - March	June 2016	Progress Report
Year-end audit	July - September		
Completion of audit	September	September 2016	<ul style="list-style-type: none"> ▶ Report to those charged with governance via the Audit Results Report ▶ Audit report (including our opinion on the financial statements; [our opinion on the regularity of your expenditure and income]; and, overall value for money conclusion). ▶ Audit completion certificate ▶ Reporting to the NAO on the Whole of Government Accounts return.
Conclusion of reporting	October	November 2016	Annual Audit Letter

In addition to the above formal reporting and deliverables we will seek to provide practical business insights and updates on regulatory matters.

5. Independence

5.1 Introduction

The APB Ethical Standards and ISA (UK and Ireland) 260 'Communication of audit matters with those charged with governance', requires us to communicate with you on a timely basis on all significant facts and matters that bear on our independence and objectivity. The Ethical Standards, as revised in December 2010, require that we do this formally both at the planning stage and at the conclusion of the audit, as well as during the audit if appropriate. The aim of these communications is to ensure full and fair disclosure by us to those charged with your governance on matters in which you have an interest.

Required communications	
Planning stage	Final stage
<ul style="list-style-type: none"> ▶ The principal threats, if any, to objectivity and independence identified by EY including consideration of all relationships between you, your affiliates and directors and us; ▶ The safeguards adopted and the reasons why they are considered to be effective, including any Engagement Quality Review; ▶ The overall assessment of threats and safeguards; ▶ Information about the general policies and process within EY to maintain objectivity and independence. 	<ul style="list-style-type: none"> ▶ A written disclosure of relationships (including the provision of non-audit services) that bear on our objectivity and independence, the threats to our independence that these create, any safeguards that we have put in place and why they address such threats, together with any other information necessary to enable our objectivity and independence to be assessed; ▶ Details of non-audit services provided and the fees charged in relation thereto; ▶ Written confirmation that we are independent; ▶ Details of any inconsistencies between APB Ethical Standards, the Audit Commission's Standing Guidance and your policy for the supply of non-audit services by EY and any apparent breach of that policy; and ▶ An opportunity to discuss auditor independence issues.

During the course of the audit we must also communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of our safeguards, for example when accepting an engagement to provide non-audit services.

We also provide information on any contingent fee arrangements, the amounts of any future contracted services, and details of any written proposal to provide non-audit services;

We ensure that the total amount of fees that EY and our network firms have charged to you and your affiliates for the provision of services during the reporting period are disclosed, analysed in appropriate categories.

5.2 Relationships, services and related threats and safeguards

We highlight the following significant facts and matters that may be reasonably considered to bear upon our objectivity and independence, including any principal threats. However we have adopted the safeguards below to mitigate these threats along with the reasons why they are considered to be effective.

Self-interest threats

A self-interest threat arises when EY has financial or other interests in your entity. Examples include where we have an investment in your entity; where we receive significant fees in respect of non-audit services; where we need to recover long outstanding fees; or where we enter into a business relationship with the Council.

At the time of writing, there are no long outstanding fees.

We believe that it is appropriate for us to undertake permissible non-audit services, and we will comply with the policies that the Council has approved and that are in compliance with the Audit Commission's Standing Guidance.

At the time of writing there are no non-audit fees

A self-interest threat may also arise if members of our audit engagement team have objectives or are rewarded in relation to sales of non-audit services to the Council. We confirm that no member of our audit engagement team, including those from other service lines, is in this position, in compliance with Ethical Standard 4.

There are no other self-interest threats at the date of this report. Self-review threats

Self-review threats arise when the results of a non-audit service performed by EY or others within the EY network are reflected in the amounts included or disclosed in the financial statements.

There are no self-review threats at the date of this report.

Management threats

Partners and employees of EY are prohibited from taking decisions on behalf of management of your entity. Management threats may also arise during the provision of a non-audit service where management is required to make judgements or decisions based on that work. There are no management threats at the date of this report.

Other threats

Other threats, such as advocacy, familiarity or intimidation, may arise.

There are no other threats at the date of this report.

Overall Assessment

Overall we consider that the adopted safeguards appropriately mitigate the principal threats identified, and we therefore confirm that EY is independent and the objectivity and independence of Paul King, the audit engagement Director and the audit engagement team have not been compromised.

5.3 Other required communications

EY has policies and procedures that instil professional values as part of firm culture and ensure that the highest standards of objectivity, independence and integrity are maintained.

Details of the key policies and processes within EY for maintaining objectivity and independence can be found in our annual Transparency Report, which the firm is required to publish by law. The most recent version of this report is for the year ended June 2015 and can be found here:

<http://www.ey.com/UK/en/About-us/EY-UK-Transparency-Report-2015>

Appendix A Fees

A breakdown of our agreed fee is shown below.

	Planned Fee 2015-16 £	Scale fee 2015-16 [current year] £	Outturn fee 2014-15 [prior year] £	Explanation
Opinion Audit and VFM Conclusion	50,542	50,542	67,389	
Total Audit Fee – Code work	50,542	50,542	67,389	
Certification of claims and returns	17,858	17,858	16,710	The indicative fee is based on actual 2013/14 benefit certification fees and incorporating a 25 per cent reduction.
Non-audit work	0	0	0	

All fees exclude VAT.

The agreed fee presented above is based on the following assumptions:

- ▶ Officers meeting the agreed timetable of deliverables;
- ▶ The operating effectiveness of the internal controls for the key processes outlined in section 4.2 above;
- ▶ We can rely on the work of internal audit as planned;
- ▶ Our accounts opinion and value for money conclusion being unqualified;
- ▶ Appropriate quality of documentation is provided by the Council; and
- ▶ The Council has an effective control environment.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with the Council in advance.

Fees for the auditor's consideration of correspondence from the public and formal objections will be charged in addition to the scale fee.

Appendix B UK required communications with those charged with governance

There are certain communications that we must provide to the Audit Committee. These are detailed here:

Required communication	Reference
Planning and audit approach Communication of the planned scope and timing of the audit including any limitations.	▶ Audit Plan
Significant findings from the audit <ul style="list-style-type: none"> ▶ Our view about the significant qualitative aspects of accounting practices including accounting policies, accounting estimates and financial statement disclosures ▶ Significant difficulties, if any, encountered during the audit ▶ Significant matters, if any, arising from the audit that were discussed with management ▶ Written representations that we are seeking ▶ Expected modifications to the audit report ▶ Other matters if any, significant to the oversight of the financial reporting process 	▶ Report to those charged with governance
Misstatements <ul style="list-style-type: none"> ▶ Uncorrected misstatements and their effect on our audit opinion ▶ The effect of uncorrected misstatements related to prior periods ▶ A request that any uncorrected misstatement be corrected ▶ In writing, corrected misstatements that are significant 	▶ Report to those charged with governance
Fraud <ul style="list-style-type: none"> ▶ Enquiries of the Audit Committee to determine whether they have knowledge of any actual, suspected or alleged fraud affecting the entity ▶ Any fraud that we have identified or information we have obtained that indicates that a fraud may exist ▶ A discussion of any other matters related to fraud 	▶ Report to those charged with governance
Related parties Significant matters arising during the audit in connection with the entity's related parties including, when applicable: <ul style="list-style-type: none"> ▶ Non-disclosure by management ▶ Inappropriate authorisation and approval of transactions ▶ Disagreement over disclosures ▶ Non-compliance with laws and regulations ▶ Difficulty in identifying the party that ultimately controls the entity 	▶ Report to those charged with governance
External confirmations <ul style="list-style-type: none"> ▶ Management's refusal for us to request confirmations ▶ Inability to obtain relevant and reliable audit evidence from other procedures 	▶ Report to those charged with governance
Consideration of laws and regulations <ul style="list-style-type: none"> ▶ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to compliance with legislation on tipping off ▶ Enquiry of the Audit Committee into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the Audit Committee may be aware of 	▶ Report to those charged with governance

Required communication	Reference
<p>Independence</p> <p>Communication of all significant facts and matters that bear on EY's objectivity and independence</p> <p>Communication of key elements of the audit engagement director's consideration of independence and objectivity such as:</p> <ul style="list-style-type: none"> ▶ The principal threats ▶ Safeguards adopted and their effectiveness ▶ An overall assessment of threats and safeguards ▶ Information about the general policies and process within the firm to maintain objectivity and independence 	<ul style="list-style-type: none"> ▶ Audit Plan ▶ Report to those charged with governance
<p>Going concern</p> <p>Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including:</p> <ul style="list-style-type: none"> ▶ Whether the events or conditions constitute a material uncertainty ▶ Whether the use of the going concern assumption is appropriate in the preparation and presentation of the financial statements ▶ The adequacy of related disclosures in the financial statements 	<ul style="list-style-type: none"> ▶ Report to those charged with governance
<p>Significant deficiencies in internal controls identified during the audit</p>	<ul style="list-style-type: none"> ▶ Report to those charged with governance
<p>Fee Information</p> <ul style="list-style-type: none"> ▶ Breakdown of fee information at the agreement of the initial audit plan ▶ Breakdown of fee information at the completion of the audit 	<ul style="list-style-type: none"> ▶ Audit Plan ▶ Report to those charged with governance ▶ Annual Audit Letter if considered necessary
<p>Certification work</p> <ul style="list-style-type: none"> ▶ Summary of certification work undertaken 	<ul style="list-style-type: none"> ▶ Annual Report to those charged with governance summarising grant certification, and Annual Audit Letter if considered necessary

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Mid Sussex District Council

Audit Committee Progress Report

March 2016



Building a better
working world



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3 March 2016

Audit Progress Report

We are pleased to attach our Audit Progress Report.

This progress report summarises the work we have undertaken since the last meeting of the Audit Committee in November 2015. The purpose of this report is to provide the Committee with an overview of our plans for the 2015/16 audit, to ensure they are aligned with your service expectations.

Our audits are undertaken in accordance with the requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, 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 audits.

Yours faithfully

Paul King
Director
For and on behalf of Ernst & Young LLP
Enc.

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Our Complaints Procedure – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

2015/16 audit

Fee letter

We issued our 2015/16 fee letter to the Council in April 2015.

Financial statements audit

We adopt a risk based approach to the audit and, as part of our ongoing planning, we held an audit planning meeting with key officers in February 2016 to discuss significant issues for the audit, how we can work together to improve the accounts production and audit process for 2015/16 and bring the audit forward for 2016/17. We will continue to liaise with officers to ensure the 2015/16 audit runs as smoothly as possible and identify any risks at the earliest opportunity. Where possible we seek to rely on the controls within the Council's financial systems.

We have been liaising with Internal Audit with a view to placing reliance on the testing of controls which they perform in the normal course of their annual plan.

We have set out an outline timetable for the audit in Appendix 1.

Planning visit

Our work to identify the Council's material income and expenditure systems and to walk through these systems has been completed and our review of the controls work performed by Internal Audit has commenced and will continue in March 2016.

There are no matters arising from our initial planning meetings that we need to bring to your attention at this stage. We will update the Committee when the planning and early substantive testing has been completed.

Internal Audit

Internal Audit is a key part of the Council's internal control environment that we review during our assessment process. This process helps us to assess the level of risk of material errors occurring in the financial statements and informs the level of testing that we are required to complete in support of the audit opinion. We consider Internal Audit's progress with their annual audit plan and the results of their testing of financial systems and, where it is appropriate to do so, we will undertake procedures to enable us to place reliance upon this testing.

Post Statements audit

We have agreed dates for our post statements audit with officers and agreed a timetable for the receipt of the draft financial statements and working papers. We are planning to start our post-statements work in August 2015.

Our detailed audit plan, setting out the risks we have identified and the work we will undertake in response, will be presented to the Audit Committee at this meeting.

We will continue to use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular payroll and journal entries.

We will also review and report to the National Audit Office, to the extent and in the form required by them, on your whole of government accounts return.

Value for money

The NAO consulted on a draft Auditor Guidance Note (AGN) in respect of auditors' work on value for money (VFM) arrangements. The guidance has now been issued and sets

out the proposed overall approach to work on VFM arrangements which apply to audits from 2015/16 onwards.

A copy of the final AGN, and the supporting information for local government bodies, can be viewed on the NAO website: <http://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

We are required to reach our statutory conclusion on arrangements to secure value for money based on the overall evaluation criterion, supported by sub-criteria as set out below.

The overall criterion for 2015/16 is:

- ▶ In all significant respects, you had proper arrangements to ensure you took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

“The overall criterion is supported by three sub-criteria, designed to help us structure our risk assessment”. There is no requirement for us to conclude or report against the following sub-criteria:

- ▶ informed decision making;
- ▶ sustainable resource deployment; and
- ▶ working with partners and other third parties.

We will carry out our initial risk assessment in early 2016 and report any risks we have identified, and associated work we will carry out, to the Audit Committee in March 2016.

2014/15 Grant Certification Work

We completed the certification of your 2014/15 housing benefit subsidy claim in November 2015. The DWP agreed that the Council could perform additional work to clarify an issue raised in our qualification letter. The audit team submitted our response following our review of the additional testing performed by CenSus staff on 29 February 2016. Our certification report is being presented as a separate item at this meeting.

We will give you a verbal update on the final outcome of the housing benefit testing at the meeting in June.

Other matters of interest

Accelerating your financial close arrangements

On 17 February 2015 the Accounts and Audit Regulations 2015 were laid before Parliament, having been made (signed by the Minister) under the Local Audit and Accountability Act 2014 on 12 February 2015.

A key area of the regulations is that from the 2017/18 financial year, the timetable for the preparation and approval of accounts will be brought forward to a draft accounts deadline of 31 May and an audit deadline of 31 July. These changes provide challenges for both the preparers and the auditors of the financial statements.

The good news is that with sound planning, communication and joint working, those deadlines are highly attainable. The majority of councils are on the right trajectory having met the current reporting deadlines consistently for the last few years, the challenge now is upping the speed of that trajectory to achieve the faster deadlines. Below we have included some suggestions which will help achieve this new statutory deadline. We will continue to engage with officers to ensure that the council is well placed to meet these new statutory deadlines.

As with any project the key to success is in the planning, together with timely engagement and collaboration between the preparers of the financial statements and the auditors of those statements. We appreciate that each client starts from a slightly different base position. Therefore, there is no 'one size fits all' solution. However, there are areas where consideration can be given now:

- revisit the current project timetable;
- an early in-year financial hard close;
- review the format of your accounts;
- review your approach to estimates;
- review your year-end journal process;
- review the operation of your ledger system; and
- consider how fit for purpose is your current financial reporting system?

We will continue to organise regular meetings with the finance team and use this as a mechanism to discuss options for early close and early substantive testing. We will continue to provide the committee with regular updates on our progress in this area. We are also happy to discuss the wider process with you in more detail when we next meet.

Local appointment of auditors

The Department for Communities and Local Government has recently announced that it has decided to extend the existing arrangements for awarding external audit contracts by one year, to the end of 2017/18. From 2018/19 onwards, larger local government bodies, including fire and rescue authorities, police bodies and other local government bodies will be responsible for appointing their own auditors, and directly managing the resulting contract. It is not clear yet whether there will be a sector-led body to carry out procurements and appointments of auditors on behalf of local government bodies, CIPFA has been asked by DCLG to prepare guidance for local government bodies on developing local auditor panels.

Existing external audit arrangements will remain unchanged for the 2015/16, 2016/17 and 2017/18 financial years.

Sector briefings

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

Appendix 1 – Timetable for the 2015/16 audit

We set out below a timetable showing the key stages of the audit, including the value for money work, and the deliverables we will provide to you through the 2015/16 Audit Committee cycle. We will provide formal reports to the Audit Committee throughout our audit process as outlined below.

Audit phase	EY Timetable	Deliverable	Audit Committee	Status
High level planning	Ongoing	Audit Fee Letter	January 2016	Completed
Risk assessment and setting of scope of audit	December 2015 – January 2016	Audit Plan	March 2016	Completed
Testing of routine processes and controls	December 2015 – February 2016	Audit Plan	March 2016	Commenced, not yet completed
Year-end audit	August - September 2016	Audit results 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) Whole of Government Accounts Submission to NAO based on their group audit instructions Audit Completion certificate	September 2015	Not yet started
Annual Reporting	October 2016	Annual Audit Letter	November 2016	Not yet started

Audit phase	EY Timetable	Deliverable	Audit Committee	Status
Grant Claims 2015/16	June 2016 and September – November 2016	Annual certification report	March 2017	Not yet started

In addition to the above formal reporting and deliverables we provide a progress update to each meeting and practical business insights and updates on regulatory matters through our Sector Briefings. The next briefing is due in December 2015.

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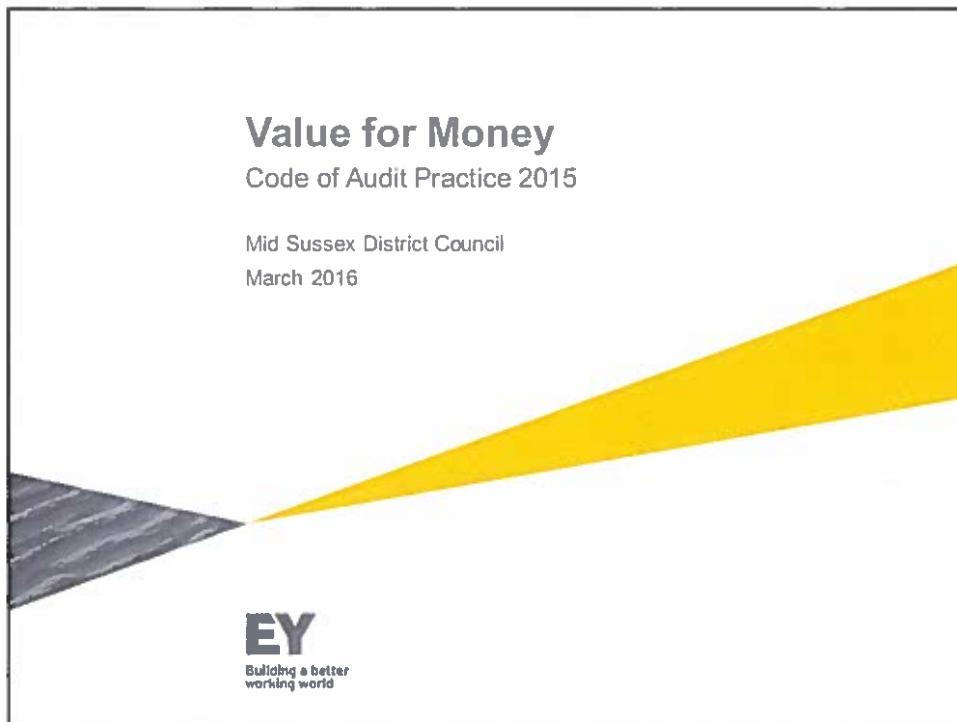
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Background

- ▶ Requirement of Local Audit & Accountability Act 2014 Section 21(1)
- ▶ NAO Code of Audit Practice 2015 implies 'reasonable assurance'
 - ▶ Need to plan and conduct risk assessment
 - ▶ Undertake sufficient work against any identified 'significant' risks

Overall criterion

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

Replaces previous two criteria for audited bodies:

1. securing financial resilience; and
2. challenging how they secure economy, efficiency and effectiveness

Sub-criteria and proper arrangements

Sub-Criteria	Proper Arrangements
Informed decision making	Acting in the public interest, through demonstrating and applying the principles and values of sound governance
	Understanding and using appropriate and reliable financial and performance information (including, where relevant, information from regulatory/monitoring bodies) to support informed decision making and performance management
	Reliable and timely financial reporting that supports the delivery of strategic priorities
	Managing risks effectively and maintaining a sound system of internal control
Sustainable resource deployment	Planning finances effectively to support the sustainable delivery of strategic priorities and maintain statutory functions
	Managing and utilising assets effectively to support the delivery of strategic priorities
	Planning, organising and developing the workforce effectively to deliver strategic priorities
Working with partners and other third parties	Working with third parties effectively to deliver strategic priorities
	Commissioning services effectively to support the delivery of strategic priorities
	Procuring supplies and services effectively to support the delivery of strategic priorities

Auditor's risk assessment

- ▶ Risk that the auditor will reach an incorrect conclusion on the arrangements (*as opposed to the risk that arrangements are inadequate*)
- ▶ Performed to determine nature and extent of any further work
- ▶ Undertaken only on significant risks
 - ▶ *A matter is significant if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects*

Potential significant risk - examples

- ▶ Organisational change and transformation
- ▶ Significant funding gaps in financial planning
- ▶ Legislative/policy changes
- ▶ Repeated financial difficulties, or persistently poor performance
- ▶ Other sources

Reporting

- ▶ Audit Plan – risk assessment
- ▶ ISA260 – completion of fieldwork, results of work and proposed conclusion
- ▶ Auditor's report – conclusion
- ▶ Annual Audit Letter –key findings and conclusion
- ▶ Also may need to consider wider reporting arrangements

Qualified conclusions

Adverse

- ▶ Weakness in arrangements:
 - ▶ So significant in impact; or
 - ▶ So numerous in aspects of proper arrangements affected

Except for

- ▶ Weaknesses:
 - ▶ Sufficiently significant to report
 - ▶ Limited to specific issue or area

Reporting: Concise summary of the information leading to that conclusion

Information Sources

Item	Location
Local Audit & Accountability Act 2014	http://www.legislation.gov.uk/
NAO	http://www.nao.org.uk/
Code of Audit Practice	http://www.nao.org.uk/code-audit-practice/wp-content/uploads/sites/29/2015/03/Final-Code-of-Audit-Practice.pdf
Guidance and information for auditors	https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/

Certification of claims and returns annual report 2014-15

Mid Sussex District Council

February 2016

Ernst & Young LLP



Building a better
working world



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Dear Members

Certification of claims and returns annual report 2014-15 Mid Sussex District Council

We are pleased to report on our certification work. This report summarises the results of our work on Mid Sussex District Council's 2014-15 claims.

Scope of work

Local authorities claim large sums of public money in grants and subsidies from central government and other grant-paying bodies and must complete returns providing financial information to government departments. In some cases these grant-paying bodies and government departments require appropriately qualified auditors to certify the claims and returns submitted to them.

Under section 28 of the Audit Commission Act 1998, as transitionally saved, the Audit Commission made arrangements for certifying claims and returns in respect of the 2014-15 financial year. These arrangements required only the certification of the housing benefits subsidy claim. In certifying this we followed a methodology determined by the Department for Work and Pensions and did not undertake an audit of the claim.

Statement of responsibilities

The Audit Commission's 'Statement of responsibilities of grant-paying bodies, authorities, the Audit Commission and appointed auditors in relation to claims and returns' (statement of responsibilities) applied to this work. It serves as the formal terms of engagement between ourselves as your appointed auditor and the Council as audited body.

This report is prepared in the context of the statement of responsibilities. It is addressed to those charged with governance and is prepared for the sole use of the Council. As appointed auditor we take no responsibility to any third party.

Summary

Section 1 of this report outlines the results of our 2014-15 certification work and highlights the significant issues.

We checked and certified the housing benefits subsidy claim with a total value of £32,930,741. We met the submission deadline. We issued a qualification letter, details of which are also included in section 1. Our certification work found errors which had an impact on the subsidy paid.



Last year we made five recommendations. The Council has made progress in implementing these recommendations, although improvements were not expected to be fully realised in the 2014-15 period. Details are included in section 4.

Fees for certification work are summarised in section 2. The fees for 2014-15 were published by the Audit Commission on 27 March 2014 and are now available on the Public Sector Audit Appointments Ltd (PSAA's) website (www.psa.co.uk)

We welcome the opportunity to discuss the contents of this report with you at the Audit Committee meeting in March 2016.

Yours faithfully

Paul King
Executive Director
Ernst & Young LLP
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1. Housing benefits subsidy claim

Scope of work	Results
Value of claim presented for certification	£32,930,741 (amended claim value)
Amended/Not amended	Amended – subsidy increased by £1,668. Further details of reasons for amendment are set out below.
Qualification letter	Yes
Fee – 2014-15	£16,710
Fee – 2013-14	£29,410
Recommendations from 2013-14	We identified five recommendations in 2013-14 which remain relevant for 2014-15. Our assessment of progress against these recommendations is set out in Section 4.

Local Government administers the Government's housing benefits scheme for tenants and can claim subsidies from the Department for Work and Pensions (DWP) towards the cost of benefits paid.

The certification guidance requires auditors to complete three samples of 20 cases for authorities with a Housing Revenue Account (HRA), covering HRA Rent Rebate, Non-HRA Rent Rebate and Rent Allowance cases, plus an undefined sample of Modified Scheme Cases. Where errors are identified in our initial testing, more extensive testing on an additional sample of 40 cases (or the total population if less than 40), for each error found. This is known as "40+" testing. We found errors and carried out extended testing in several areas.

The indicative fee is based upon the final fee for 2012-13, and the volume of additional testing required in 2014-15 was similar to that undertaken in 2012-13.

The "40+" testing identified a number of cases where similar errors had occurred. Where we tested 100% of the population, the Authority amended the claim form.

For those "40+" tests where we did not test the whole population, we extrapolated the financial impact of our findings to determine the total financial impact of the errors on the claim. This was then reported in our qualification letter, but no amendment was made to the claim form.

The DWP then decides whether to ask the Authority to carry our further work to quantify the error or to claw back the benefit subsidy paid.

A summary of the key issues found is shown below:

- Claimant Income
 - **Non-HRA Rent Rebates:** Our initial testing identified one case where benefit was overpaid as a result of the Authority not obtaining sufficient evidence to verify that income should be classified as maintenance income and therefore should be fully disregarded. The remaining population of one case was selected and tested where the claimant was in receipt of maintenance. No further errors were identified as a result of this testing.
 - **Rent Allowances:** Our initial testing identified five cases where a claimant's income was incorrectly calculated due to incorrect calculation of Schedule D self-

employed income and Schedule E earned. Similar issues were identified in the prior year. An additional 40 Rent Allowance cases containing an income assessment were therefore selected and tested. The additional testing identified a further 17 errors. We calculated an extrapolated error of £71,167 which is reported in our Qualification Letter.

➤ Rent Cost

- Non-HRA Rent Rebates: Our initial testing identified one case where benefit was miscalculated due to an incorrect application of the occupier reduction to rent. . No further testing was undertaken as this error could never result in an overpayment. This was reported in our Qualification Letter.
- Rent Allowances: Our initial testing identified one case where rent costs were incorrect. An additional 40 Rent Allowances cases were selected and tested to confirm the correct rent had been applied. One further error was identified from the additional sample. We calculated an extrapolated error of £Nil which is reported in our Qualification Letter.

➤ Overpayments

- Non-HRA Rent Rebates: Our initial testing identified one case where an overpayment period was duplicated on the claim form – no impact on subsidy as this related to technical overpayments. Given the nature of the population and the error found, no additional testing was performed in respect of cell 27, technical overpayments, as this does not attract subsidy. However, additional testing was performed on cell 28, eligible overpayments as this does attract subsidy and it was determined that such an error could affect any overpayment type. Testing of the initial sample tested four cases which contained eligible overpayments; the remaining population of one case was selected which contained an eligible overpayment, this overpayment was misclassified and should have been a technical overpayment.
- Rent Allowances: Our initial testing identified one case where a Non-HRA Rent rebates eligible overpayment was misclassified as a Rent Allowances eligible overpayment and one case where an overpayment caused by LA error and administrative delay had been misclassified as an eligible overpayment. An additional 40 Rent Allowances eligible overpayments cases were selected and tested to confirm their classification. This identified three cases where benefit was overpaid as a result of LA error and administrative delay had been incorrectly classified as eligible excess benefit (£356) and one case where the benefit overpayment was classified as a current year overpayment when part of the overpayment amount was paid in 2013-14 and therefore should be classified as overpaid as a result of a prior year eligible benefit (£1,756). We calculated an extrapolated error of £89,376 which is reported in our Qualification Letter.
- Rent Allowances: Our initial testing identified one misclassification error due to late notification of DWP data through the ATLAS system. We identified that the total of the cases classified as Rent Allowances DWP overpayments were placed there due to late notification by the DWP of an ATLAS update. In the normal course of receiving an ATLAS update, the overpayments generated are classified as eligible overpayments as the claimant should have notified the Authority of the change. The fact that the ATLAS update was delayed in being received should have no impact on this classification. Therefore the whole of the cases in cell 111 should be reclassified to cell 114 eligible overpayments. We verified that all of the overpayments in the Rent Allowances DWP overpayments cell were posted on the same date and we tested an additional sample of 40 cases from this cell to verify the explanation received from the Authority.

➤ Change of Address

- Non-HRA Rent Rebates: Our initial testing identified one case where the processing of a change of address was applied to an incorrect date causing an overpayment of benefit. This was corrected by the Authority after 31 March 2015. We tested the remaining population of Non-HRA Rent Rebate cases containing a change of address during 2014-15. No further errors were identified. This was not reported in our Qualification Letter.

➤ Modified Schemes:

Testing of our initial sample identified two Rent Allowance cases where an incorrect value for the war pension, carers allowance and premium had been used in the benefit calculations and one case which had been incorrectly split between the modified scheme cell and the normal claim award cell (decreasing the modified scheme value by £4,027 and reducing the Rent Allowances claim cells by £4,027). Errors had also been identified in modified scheme cases in 2013-14. The remaining population of nine cases were tested for correct war pension, carer's allowance and premium and state pension. The claim form was amended to correct these errors. One further error was identified where benefit was underpaid. This has not been amended in the claim form and was not reported in our Qualification Letter.

As part of the CenSus's action plan in response to our findings and recommendations in our 2013-14 work, a large amount of work was carried out during 2014-15 to provide training to staff members and to correct claims. This resulted in a high level of identified LA error and administrative delay overpayments before we commenced our audit. The total of the extrapolations and errors in the qualification letter amounted to £87,631 increasing current year LA error and administrative delay overpayments and £72,912 increasing prior year LA error and administrative delay overpayments. Where extrapolations impact the LA error and administrative delay overpayments balance, the DWP usually require that the extrapolation amount is repaid to the DWP.

The DWP review the combined LA error and administrative delay overpayments balance, taking the subsidy claim form value and the extrapolations and, where this breaches the upper threshold, the total LA error and administrative delay overpayments incurred during the year are required to be repaid to the DWP. The LA error and administrative delay overpayments upper threshold was £171,686 and the total of the amended claim form total (£132,419) and the extrapolation effect on the LA error and administrative delay overpayments (£87,631) is £220,050. This breaches the threshold and therefore the subsidy claim form total for LA error and administrative delay overpayments of £171,686 is likely to be required to be repaid to the DWP.

The DWP has agreed for the Authority to provide further representations to determine if one large error included in the eligible overpayments extrapolation should be excluded. If permitted this will reduce the extrapolated error and reduce the expected subsidy repayment to the DWP. Results of this additional work will be reported to the Audit Committee in March 2016.

2. 2014-15 certification fees

The Audit Commission determine a scale fee each year for the audit of claims and returns. For 2014-15, these scale fees were published by the Audit Commission on 27 March 2014 and are now available on the PSAA's website (www.psaa.co.uk).

Claim or return	2013-14	2014-15	2014-15
	Actual fee £	Indicative fee £	Actual fee £
Housing benefits subsidy claim	29,410	16,710	16,710
Total	29,410	16,710	16,710

The indicative fee for 2014-15 is based upon the final fee for 2012-13, and the volume of additional testing required in 2014-15 was similar to that undertaken in 2012-13. The DWP has agreed for the Authority to provide further representations and the Authority has requested that we review their work. We have received authorisation from the PSAA to perform this work. This may result in an additional fee.

3. Looking forward

From 1 April 2015, the duty to make arrangements for the certification of relevant claims and returns and to prescribe scales of fees for this work was delegated to PSAA by the Secretary of State for Communities and Local Government.

The Council's indicative certification fee for 2015-16 is £17,858. This was prescribed by PSAA in April 2015, based on no changes to the work programme for 2015-16. PSAA reduced scale audit fees and indicative certification fees for most audited bodies by 25 per cent based on the fees applicable for 2014-15.

Details of individual indicative fees are available at the following web address:
<http://www.psaa.co.uk/audit-and-certification-fees/201516-work-programme-and-scales-of-fees/individual-indicative-certification-fees/>

We must seek the agreement of PSAA to any proposed variations to these indicative certification fees. We will inform the Head of Finance and HR before seeking any such variation.

4. Summary of recommendations

Our findings from our 2014-15 work are similar to those from 2013-14, where a number of recommendations were raised. We therefore believe it appropriate for the authority to continue to implement those recommendations raised in 2013-14. These are outlined below, together with our assessment of progress to date.

Recommendation	Priority	Agreed action and comment	Deadline	Responsible officer	Progress To Date
1 Review the CenSus Quality Plan to ensure that it is robust and addresses the weaknesses reported in the 2013-14 qualification letter.	High	A Quality plan was implemented as a result of the 2012-13 certification work. This plan was internally audited and assurance given that the actions in the plan had been effectively undertaken. Some elements of the plan have been incorporated into 'everyday business' and are ongoing. A further plan based on the 2013-2014 certification work was developed and was finalised following the DWP Performance Development Team visit to offer guidance and advice.	31/03/15	Tim Delany, Head of Revenues and Benefits (CenSus)	We are aware that a Quality Plan has been prepared and that CenSus are implementing this.
2 Monitor progress against the CenSus Quality Plan and report progress to the CenSus Programme Board (PMB) and CenSus Joint Committee (CJC).	High	Activity and outcomes related to the 2013-2014 action plan have been reported at each PMB and CJC. The Benefits Manager reported and discussed progress with the Head of Service each month.	Ongoing	Tim Delany, Head of Revenues and Benefits (CenSus)	We have seen evidence of the Quality Plan implementation, with fewer errors identified in the areas of focus.

<p>3 Increase quality assurance checks and implement training in areas where errors have been identified including self-employed and earned income.</p>	<p>High</p>	<p>Additional staff were deployed to complete an exercise to review all earned income and self-employed cases and to conduct 100% quality checks on 'current' cases. Several strands of training have been and are being implemented.</p>	<p>Ongoing</p>	<p>Morag Freitas, CenSus Benefit Manager</p>	<p>We have seen evidence of the Quality Plan implementation, with fewer errors identified in the areas of focus.</p>
<p>4 Undertake work or review the 2014-15 subsidy claims in high risk areas, such as claims with self-employed earnings and earned income, to ensure that these claims have been correctly processed and to reduce the likelihood of future qualifications of the subsidy claim.</p>	<p>High</p>	<p>The running of subsidy each month has recommenced. The subsidy officer undertakes checks of high risk cases; there is a written procedure and a signed check-list which are in turn supported by details of specific cases checked. A quarterly exercise is undertaken to compare and contrast current subsidy with the subsidy claim in past years.</p>	<p>30/03/15</p>	<p>Shirley Eveleigh, CenSus Quality Control, Appeals & Training Manager</p>	<p>Evidence of review of the modified schemes and overpayment classification has been reviewed as part of the audit. The initial training focus was on earned income and we identified fewer errors in this area in our initial testing for 2014-15. We expect to see fewer errors in self-employed earnings in 2015-16 as the training has now been implemented in this area.</p>
<p>5 Introduce robust, evidenced checks on the preparation of the subsidy claim to ensure that the Head of Finance and HR can certify the claim to state that the authority's administrative systems, procedures and key controls for awarding benefits operate effectively.</p>	<p>High</p>	<p>See above.</p>	<p>Ongoing - at least monthly</p>	<p>Tim Delany, Head of Revenues and Benefits (CenSus)</p>	<p>We have seen evidence of the Quality Plan implementation, with fewer errors identified in the areas of focus.</p>

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