

Thurrock Council
Year ending 31 March 2013

Audit Progress Report

July 2013

Audit Committee
Thurrock Council
Civic Offices
New Road
Grays
Essex
RM17 6SL

4 July 2013

Dear Sir/Madam

Audit Progress Report - 2012/13

We are pleased to attach our Audit Progress Report.

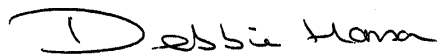
Our report sets out the work we have undertaken to date since our appointment as your auditor on 1 September 2012. The purpose of this report is to provide the Audit Committee with an overview of the stage we have reached in planning and delivering your 2012/13 audit. This Progress Report aims to ensure that our audit is aligned with the Committee's service expectations.

Our audit will be undertaken in accordance with the requirements of the Audit Commission Act 1998, the Code of Audit Practice, the Audit Commission Standing Guidance, auditing standards and other professional requirements.

This report sets out our work to date against the key risks and audit strategy set out in our detailed Audit Plan presented to the Audit Committee in April 2013.

We welcome the opportunity to discuss this report with you as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully



Director
For and behalf of Ernst & Young LLP
Enc

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1. Work completed

Planning

We issued our detailed Audit Plan in February 2013 and presented it to you in April 2013.

Opinion on financial statements

We have updated our documentation of financial systems and walked through the systems, except for the Financial Statements Close Process, which is currently in progress. We are currently completing our work on controls testing, placing reliance on Internal Audit work wherever possible.

We have reviewed and tested the revaluation of assets (excluding those transferred from the Development Corporation) to the valuation report from the Valuer and reviewed the instructions to the Valuer. We have no issues arising to report to you as a result of this work. We still need to trace the movements through the financial statements and undertake a similar exercise with the assets transferred from the Development Corporation.

We have reviewed and tested balances brought forward from 31 March 2012 into the new general ledger and confirmed they are not materially misstated.

We have agreed with the Head of Corporate Finance that we will commence our detailed work on the financial statements on 22 July, allowing Finance time to put together all the working papers supporting the financial statements and undertake quality assurance of them. We will report our work on the financial statements to you in our audit results report in September 2013.

Value for money assessment

We have undertaken work on the Council's medium term financial strategy, budget setting and reporting and arrangements to report on the changes to arrangements for council tax support and business rate retention. We have monitored the Council's debt reporting and reviewed the housing repairs arrangements, linked to our work on the system, as noted above.

We have still to review the Council's strategic plans for its use of the assets transferred from the Development Corporation.

We will report our findings in relation to the value for money conclusion in our audit results report in September 2013.

Grant claim certification

We have undertaken some preliminary work on housing benefits and will complete this in October and November 2013. We will undertake work on your NNDR return, capital receipts pooling return and teachers pension return in August/September 2013. We will report our findings on grant claim certification to you in December 2013..

2. Timetable

Audit Committee Timeline

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, and the deliverables we have agreed to provide to you through the 2012/13 Audit Committee cycle.

We will provide formal reports to the Audit Committee throughout our audit process as outlined below. Where required, we issue an Interim Report, summarising the findings from our audit at that stage – we concluded this was not necessary. From time to time matters may arise that require immediate communication with the Audit Committee and we will discuss them with the Audit Committee Chair as appropriate.

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

Audit phase	Timetable	Deliverables
High level planning:	November	Fee Letter
Risk assessment and setting of scopes	November/ January	
Testing of routine processes and controls	January/April	Audit Plan Interim Report (if required – not considered necessary)
Value for money conclusion	February/April	
Year-end audit	July – September	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). Audit completion certificate Whole of Government Accounts Certification
Reporting	October	Annual Audit Letter
Grant claims	December	Report on the audit of grant claims

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

Appendix 1: Audit Progress on Deliverables

Progress against key deliverables

Key deliverable	Timetable in plan	Status	Comments
Fee Letter	November 2013	Completed	Reported to Chief Executive
Audit Plan	March/April 2013	Completed	Reported to April 2013 Audit Committee
Report to Those Charged with Governance	September 2013		
Audit Report (including opinion and vfm conclusion)	September 2013		
Audit Certificate	September 2013		
WGA Certificate	September 2013		
Annual Audit Letter	October 2013		
Report on the Audit of Grant Claims	December 2013		

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