Office of the Police and Crime Commissioner for Hampshire and Office of the Chief Constable for Hampshire

Year ending 31 March 2014

Audit Plan

June 2014

Building a better working world

Building a better working world

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INVESTOR IN PEOPLE

The Joint Audit Committee
Office of the Police and Crime Commissioner for Hampshire
Office of the Chief Constable Hampshire

18 June 2014

Ref: HPCCAuditPlan
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2013/14 Audit Plan

We are pleased to attach our joint Audit Plan for the audit engagements of the Office of the Police and Crime Commissioner for Hampshire (the PCC) and the Office of the Chief Constable for Hampshire (the CC).

The Plan sets out how we intend to carry out our responsibilities as auditor. The purpose of this report is to provide the Joint Audit Committee with a basis to review our proposed audit approach and scope for the 2014 audit, in accordance with the requirements of the Audit Commission Act 1998, the Code of Audit Practice, the Standing Guidance, auditing standards and other professional requirements, but also to ensure that our audit is aligned with the Committee's service expectations.

This report summarises our assessment of the key risks which drive the development of an effective audit for the PCC and CC, and outlines our planned audit strategy in response to those risks.

We welcome the opportunity to discuss this report with you at the Joint Audit Committee on 30 June 2014 as well as understand whether there are other matters which you consider may influence our audit.

Yours faithfully

Helen Thompson
For and behalf of Ernst & Young LLP
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In March 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the Chief Executive of each audited body and via the Audit Commission's website.

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's 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 Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (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 Members of the audited body, and is prepared for their sole use. 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

1.1 Background

The Police Reform and Social Responsibility act created two corporations sole:

- The Office of the Police & Crime Commissioner for Hampshire; and
- The Office of the Chief Constable for Hampshire.

We recognise the manner in which these two bodies are inter-linked and operate based on the governance documents and scheme of consents that have been adopted. Therefore, whilst each is a separate audit engagement, we have drafted one Joint Audit Plan to set out our approach to the two engagements, recognising that the audit risks inherent in both engagements and the programme of work required have much in common.

Where relevant, we will set out separately, any risks which are solely pertinent to one of the bodies for clarity.

1.2 Context for the audit

This audit plan covers the work that we plan to perform in order to provide you with:

- our audit opinion on whether the financial statements of the PCC and CC give a true and fair view of the financial position as at 31 March 2014 and of the income and expenditure for the year then ended; and
- a statutory conclusion on the PCC's and CC'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 your Whole of Government Accounts return.

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.
- Management's views on all of the above.

By considering these inputs, our audit is focused on the areas that matter. And by focusing on the areas that matter, our feedback is more likely to be relevant to the PCC and CC.

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

In part 2 and 3 of this report we provide more detail on the areas which we believe present significant risk to the financial statements audit and value for money conclusion, and outline our plans to address these risks.

Details of our audit process and strategy are set out in more detail in section 4.

2. Financial statement risks

We outline below our assessment of the financial statement risks facing the PCC and CC, identified through our knowledge of the entity's operations and discussion with members and officers.

Following the audit of 2012/13 accounts, we are aware that CIPFA issued a revised LAAP bulletin in March 2014. This will inform the closedown and preparation of your 2013/14 financial statements. We also understand that CIPFA intends to provide further guidance to practitioners on the areas to consider in recognising revenue and assets in either the financial statements of the PCC or CC, drawing on learning from the different approaches taken in 2012/13.

We have created a reference group that brings together chief financial officers (CFOs) for PCCs, CCs and audit teams to facilitate a shared understanding of the key accounting and governance issues facing PCCs and CCs, both at stage 1 and looking ahead to stage 2 transfers.

It is important that CFOs reflect on CIPFA guidance as well as our reference group discussions to update their statements and supporting working papers in the preparation of their 2013/14 financial statements. In particular, we expect CFOs to update their assessment of control and derivation of economic benefit to determine the appropriate recognition in either PCC or CC accounts of revenue and assets for police officers, estates, current assets, contracts and the running costs for office of PCC and CC. We will work closely with CFOs and their finance teams to review method statements and robustness of tests of control and benefit. We will also carefully consider CIPFA guidance and what this means for our audit strategy in order to conclude on whether the recognition of revenue and assets in either the PCC or CC accounts represents a true and fair view in line with applicable accounting standards.

Should we identify any significant risks arising from the CIPFA guidance and our own discussions with CFOs and finance teams, we will update our Audit Plan describing the risk arising, our audit approach, response and any impact this may have on the level of audit fees.

At our meeting, we will seek to validate the risks we have identified so far, set out below, with you.

Significant risks (including fraud risks)	Our audit approach
Risk of misinterpretation of LAAP bulletin and accounts format guidance	
As detailed above CIPFA have issued a LAAP bulletin in March 2014. There is a risk of management misinterpreting the guidance leading to the production of a set of financial statements which are not compliant. Management should ensure expenditure is shown within the relevant accounts relating to who has control over it being incurred.	Our approach will focus on: ▸ reviewing the CIPFA guidance in conjunction with the Audit Commission views; ▸ considering managements justification for the format adopted in relation to the issue of control and who (PCC or CC) has incurred relevant expenditure; and ▸ reviewing the supporting documentation for the justifications provided.

Risk of management override	
As identified in ISA (UK & Ireland) 240, management is in a unique position to perpetrate fraud because of their ability to directly or indirectly manipulate accounting records 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.

Respective responsibilities in relation to 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 put in place 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.
- Inquiry of management about risks of fraud and the controls put in place 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 those identified risks of fraud.
- Performing mandatory procedures regardless of specifically identified fraud risks.

We will consider the results of the National Fraud Initiative and may make reference to it in our reporting to you.

3. Economy, efficiency and effectiveness

Our work will focus on:

1. whether there are proper arrangements in place for securing financial resilience at the PCC and CC; and
2. whether there are proper arrangements in place at PCC and CC to secure economy, efficiency and effectiveness in the use of resources.

We have undertaken a high-level summary of our risk assessment and have identified following area that we will focus on as part of our assessment.

Other risks		Our audit approach
Arrangements for securing economy, efficiency and effectiveness		
The PCC and the CC are addressing the significant strategic, financial and operational challenges facing them both now and in the medium term. The two corporations face a significant challenge in meeting the expectations for a more visible and responsive policing service with reduced resources.	Economy, efficiency and effectiveness The PCC and the CC have proper arrangements for challenging how they secure economy, efficiency and effectiveness.	Our approach will focus on whether: ► Challenging targets are set and the PCC and CC are working with others to achieve their priorities. ► Alternative and innovative approaches to delivering services are being considered to achieve efficiencies while keeping services at a level that will satisfy local people. ► Costs and productivity of key services are consistent with or better than other forces providing similar levels and standards of services.
Delivery of a sustainable medium term financial plan		
The significant financial management challenges for police over the coming years will be: • managing the implications of the current economic climate; and • the significant reductions in the level of future central government funding. To meet these challenges, forces must improve their efficiency and productivity, reduce their costs, and have sustainable financial plans to ensure they are financially resilient.	Financial resilience The PCC and the CC have proper arrangements in place for securing financial resilience.	Our approach will focus on: ► Reviewing the progress made in achieving the planned savings in 2013/14. ► Assessment of whether the PCC and the CC have good systems and processes in place to manage their financial risks and opportunities effectively. ► Assessing the robustness of financial plans. ► Evaluating the quality of financial governance and leadership at the PCC and the CC.

4. Our audit process and strategy

4.1 Objective and scope of our audit

Under the Audit Commission's Code of Audit Practice ('the Code'), dated March 2010, our principal objectives are to review and report on, to the extent required by the relevant legislation and the requirements of the Code, the PCC's and CC's:

i) financial statements; and

ii) arrangements for securing economy, efficiency and effectiveness in its use of resources.

We issue a two-part audit report covering both of these objectives.

i) Financial Statement Audit.

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

We will also review and report to the NAO, to the extent and in the form required by them, on your Whole of Government Accounts return.

ii) Arrangements for securing economy, efficiency and effectiveness

The Code sets out our responsibility to satisfy ourselves that the PCC and CC have put in place proper arrangements to secure economy, efficiency and effectiveness in their use of resources. In arriving at our conclusion, to the fullest extent possible we will place reliance on the reported results of the work of other statutory inspectorates in relation to corporate or service performance. In examining the PCC's and CC's corporate performance management and financial management arrangements we have regard to the following criteria and areas of focus specified by the Audit Commission:

- arrangements for securing financial resilience – whether the PCC and CC have robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future; and
- arrangements for securing economy, efficiency and effectiveness – whether the PCC and CC are prioritising resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

4.2 Audit process overview

Our audit involves:

- assessing the key internal controls in place and testing the operation of these controls;
- review and re-performance of the work of your internal auditors;
- reliance on the work of other auditors where appropriate;
- reliance on the work of experts in relation to areas such as pensions and valuations; and
- substantive tests of detail of transactions and amounts.

Processes

Our initial assessment of the key processes across the entity has identified the following key processes upon which we will test substantively at the year-end:

- accounts payable;
- accounts receivable;
- financial statement close process;
- property, plant and equipment;
- payroll;
- local government and police pensions; and
- investments, loans and cash balances.

Analytics

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

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

Internal audit

As in prior years, we will review internal audit plans and the results of work undertaken. We will reflect the findings from these reports, together with reports from other work completed in the year, in our detailed audit plan, where issues are raised that could impact the year-end financial statements and/or the value for money conclusion.

Use of experts

In producing the financial statements, management will place reliance on the work undertaken by a small number of experts, including a professional valuer in relation to the valuation of property plant and equipment and an actuary in relation to the liability to the local government pension scheme administered by Hampshire County Council and the police pension fund. We anticipate being able to undertake sufficient procedures such that we will be able to place reliance on the work undertaken by management's experts.

We also anticipate relying on the work of the experts commissioned by the Audit Commission in respect of land and property values, fair value of investments and the work undertaken by the pension scheme actuary AON Hewitt.

We will utilise specialist Ernst & Young resource, as necessary, to help us to form a view on judgments made in the financial statements. Our plan currently includes the involvement of specialists in pensions and valuations.

Mandatory procedures

In addition to the key areas of emphasis outlined, we have to perform other procedures as required by auditing, ethical and independence standards, the Code and other regulations.

Procedures required by auditing standards on:

- 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.
- Reviewing and reporting on the Whole of Government accounts return, in line with the instructions issued by the NAO.
- Reviewing, and where appropriate, examining evidence that is relevant to the PCC's and CC's corporate performance management and financial management arrangements and reporting on these arrangements.

4.3 Materiality

For the purposes of determining whether the accounts are free from material error, we define materiality as the magnitude of an omission or misstatement that, individually or in the aggregate, in light of the surrounding circumstances, could reasonably be expected to influence the users of the financial statements. Our evaluation of it requires professional judgement and necessarily takes into account qualitative as well as quantitative considerations implicit in the definition. We have set our overall materiality group at £7 million, based on 2% of gross operating expenditure. We will determine the individual PCC and CC's materiality once the revised accounting guidance and the format and content of the accounts has been confirmed. We will also set a separate materiality level for the police pension fund.

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 of the circumstances that may ultimately influence our judgement about materiality. 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 accounts, including the total effect of the audit misstatements we identify, and our evaluation of materiality at that date.

4.4 Fees

The Audit Commission has published a scale fee for all authorities. The scale fee is defined as the fee required by auditors to meet statutory responsibilities under the Audit Commission Act in accordance with the Code of Audit Practice 2010. The indicative fee scale for the audit of the PCC is £54,980 and for the audit of the CC is £25,000.

4.5 Your audit team

The engagement team is led by Helen Thompson, who is new to Hampshire PCC but has significant experience with Sussex PCC and the former Sussex Police Authority. Helen is supported by Justine Thorpe who is responsible for the day-to-day direction of audit work, and who is the key point of contact for the Chief Finance Officer. Helen will also be supported by Natalie Clark, who is the manager for three other police bodies. The planning and interim work was undertaken by Steve Belshaw, lead executive with significant previous experience of Hampshire PCC and CC. His replacement will be closely supervised by Helen and Natalie and will supervise the on-site audit team, be the key point of contact for the finance team and will be responsible for raising and discussing emerging issues with officers.

4.6 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; and the deliverables we have agreed to provide to you through the Audit Committee cycle in 2014. These dates are determined to ensure our alignment with the Audit Commission's rolling calendar of deadlines.

We will provide a formal report to the Audit Committee in September, incorporating the outputs from the interim audit and our year-end procedures respectively where appropriate. From time to time matters may arise that require immediate communication with those charged with governance and we will discuss them with the Audit Committee Chairman as appropriate.

Following the conclusion of our audit we will prepare an annual audit letter in order to communicate to the PCC and CC and external stakeholders, including members of the public, the key issues arising from our work.

Audit phase	Timetable	Committee timetable	Deliverables
High level planning:	January – March		Audit fee letter – completed March 2013
Risk assessment and setting of scopes	January – March		
Testing of routine processes and controls	January - March		
	June	Joint Audit Committee	Audit Plan and progress report
Year-end audit including WGA	July – September	Joint Audit Committee	Report to those charged with governance Audit report (including our opinion on the financial statements and a conclusion as to whether the PCC and CC have put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources). Audit completion certificate
Reporting	November	Joint Audit Committee	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 upon our independence and objectivity. The Ethical Standards, as revised in December 2010, require that we communicate formally both at the planning stage and at the conclusion of the audit, as well as during the course of 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
► 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.	► 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.

In addition, during the course of the audit, we are required to communicate with you whenever any significant judgements are made about threats to objectivity and independence and the appropriateness of safeguards put in place, 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 services that have been contracted, and details of any written proposal to provide non-audit services that has been submitted;

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, analysed in appropriate categories, are disclosed.

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 the principal threats, if any. However we have adopted the safeguards noted 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 receives 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 you. 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 you have approved and that are in compliance with the Audit Commission's Standing Guidance.

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 you. We confirm that no member of our audit engagement team, including those from other service lines, has objectives or is rewarded in relation to sales to you, 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 in relation to which management is required to make judgements or decision 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 that exist as the date of this report.

Overall Assessment

Overall, we consider that the safeguards that have been adopted appropriately mitigate the principal threats identified and we therefore confirm that EY is independent and the objectivity and independence of Helen Thompson, your audit engagement partner 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 in place 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 28 June 2013 and can be found here:

http://www.ey.com/UK/en/About-us/EY-UK-Transparency-Report-2013

Appendix A Fees

A breakdown of our agreed fee is shown below.

	Planned Fee 2013/14 £	Actual Fee 2012/13 £	Explanation of variance
Total Audit Fee – Code work	79,980	86,000	
The Office of Police and Crime Commissioner for Hampshire	54,980	61,000	
The Chief Constable for Hampshire Constabulary	25,000	25,000	

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

- Officers meet the agreed timetable of deliverables.
- We are able to place reliance, as planned, on the work of internal audit.
- The level of risk in relation to the audit of accounts is consistent with that in the prior year.
- No significant changes are made by the Audit Commission to the value for money criteria on which our conclusion will be based.
- Our accounts opinion and value for money conclusion are unqualified.
- Appropriate quality of documentation is provided by the audited body.
- There is an effective control environment.
- There are no questions asked or objections made by local government electors.

If any of the above assumptions prove to be unfounded, we will seek a variation to the agreed fee. This will be discussed with you 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 Joint Audit Committee, or equivalent, of audited clients. 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 ▸ 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 ▸ Findings and issues regarding the opening balance on initial audits	Report to those charged with governance
Misstatements ▸ 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 ▸ Enquiries of the Police and Crime Commissioner and Chief Constable 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: ▸ 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 ▸ 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 ▸ Audit findings regarding non-compliance where the non-compliance is material and believed to be intentional. This communication is subject to	Report to those charged with governance

Required communication	Reference
compliance with legislation on tipping off ► Enquiry of the Police and Crime Commissioner and Chief Constable into possible instances of non-compliance with laws and regulations that may have a material effect on the financial statements and that the committee may be aware of	
Independence Communication of all significant facts and matters that bear on Ernst & Young's objectivity and independence Communication of key elements of the audit engagement partner's consideration of independence and objectivity such as: ► 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	Audit Plan Report to those charged with governance
Going concern Events or conditions identified that may cast significant doubt on the entity's ability to continue as a going concern, including: ► 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	Report to those charged with governance
Significant deficiencies in internal controls identified during the audit	Report to those charged with governance
Group audits ► An overview of the type of work to be performed on the financial information of the components ► An overview of the nature of the group audit team's planned involvement in the work to be performed by the component auditors on the financial information of significant components ► Instances where the group audit team's evaluation of the work of a component auditor gave rise to a concern about the quality of that auditor's work ► Any limitations on the group audit, for example, where the group engagement team's access to information may have been restricted ► Fraud or suspected fraud involving group management, component management, employees who have significant roles in group-wide controls or others where the fraud resulted in a material misstatement of the group financial statements	Audit Plan
Fee Information ► Breakdown of fee information at the agreement of the initial audit plan ► Breakdown of fee information at the completion of the audit	Audit Plan Report to those charged with governance and Annual Audit Letter if considered necessary

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Ernst & Young LLP

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