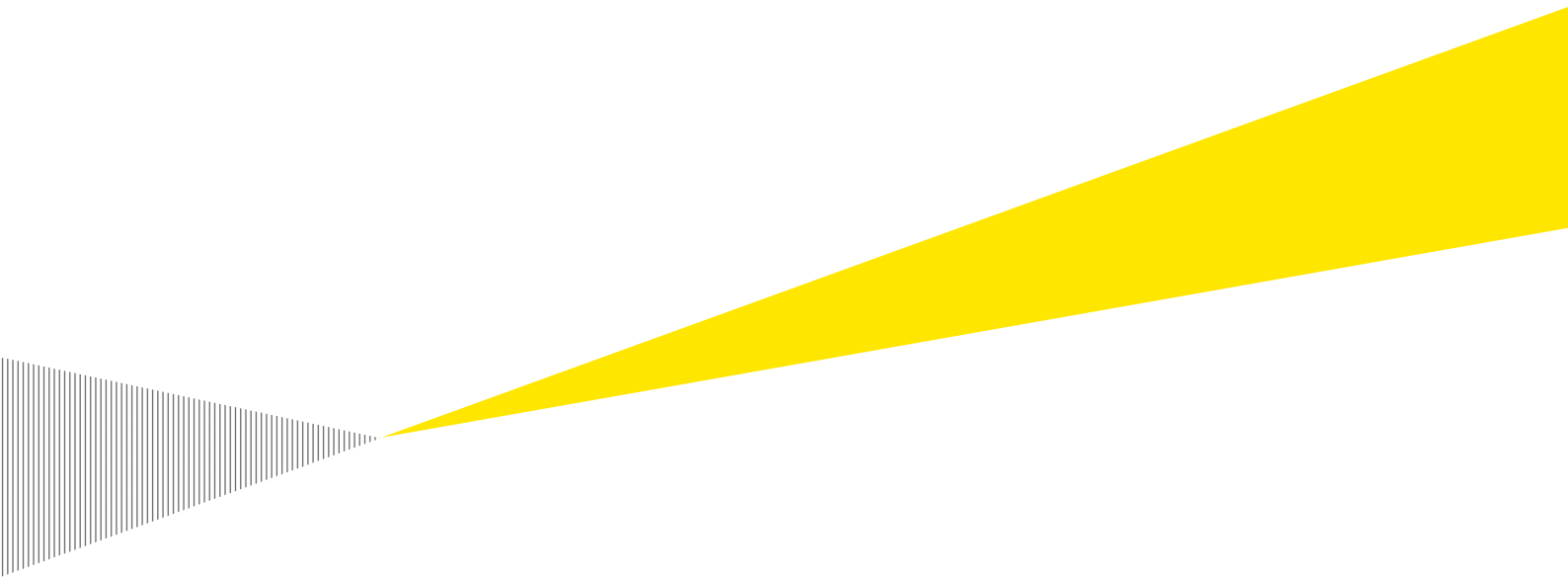


The Police & Crime Commissioner for Hampshire and the Chief Constable for Hampshire

Audit Committee Progress Report

June 2017





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Joint Audit Committee
The Police & Crime Commissioner for Hampshire
St George's Chambers
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Winchester
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5 June 2017

Dear Committee Members

Audit Progress Report

We are pleased to attach our Audit Progress Report. Its purpose is to provide the Committee with an overview of the progress that we have made with the work that we need to complete during the 2016/17 audit. This report is a key mechanism in ensuring that our audit is aligned with the Committee's service expectations. We will bring a progress report to each Committee where we have a specific update for the Committee. For other key audit deliverables you can expect from us throughout the audit please see the timetable attached at the end of this report.

Our audit is 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.

Whilst we are unable to attend your Committee meeting, we would welcome your thoughts on this report as well as your comments on any other matters which you consider may influence our audit.

Yours faithfully

Maria Grindley
Executive Director
For and behalf of Ernst & Young LLP

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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued ‘Statement of responsibilities of auditors and audited bodies’. 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 Joint 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.

2016/17 audit

Fee letter

We issued our 2016/17 fee letter in April 2016.

Financial Statements

We adopt a risk-based approach to the audit and, as part of our ongoing continuous planning, we have continued to meet key officers regularly to ensure the 2016/17 audit runs as smoothly as possible and identify any risks at the earliest opportunity.

Planning and interim visit

We completed our walkthrough of the key financial systems in January 2017, and our testing of controls, including IT controls within the Integrated Business Centre, in February to April 2017.

There are no significant matters arising from our work that we need to bring to your attention at this stage.

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 visit

Our audit visit commenced on 5 June 2017. We have had early discussions in March with the Corporate Accounting Manager and Deputy Corporate Accounting Manager on the working papers required in support of the audit.

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 have received the data requested to date, and we will report any findings in relation to our testing in our audit results report in September 2016.

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

As reported to you in our audit plan, our initial planning procedures have not identified any significant risks.

Our assessment will continue throughout the audit and should anything come to our attention which may change this assessment we will update this Committee in due course.

Timetable

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 2016/17 Joint Audit Committee cycle.

Audit phase	EY Timetable	Deliverable	Reported	Status
High level planning	Ongoing	Audit Fee Letter	June 2016	Completed
Risk assessment and setting of scope of audit	Dec 2016 – January 2017	Audit Plan	February 2017	Completed
Testing of routine processes and controls	Feb – April 2017	Progress Report	June 2017	Completed
Year-end audit	June - July 2017	Audit results report to those charged with governance Audit report (including our opinion on the financial statements and a conclusion on your arrangements for securing economy, efficiency and effectiveness in your use of resources) Whole of Government Accounts Submission to NAO based on their group audit instructions Audit Completion certificate	September 2017	In progress

Progress report

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