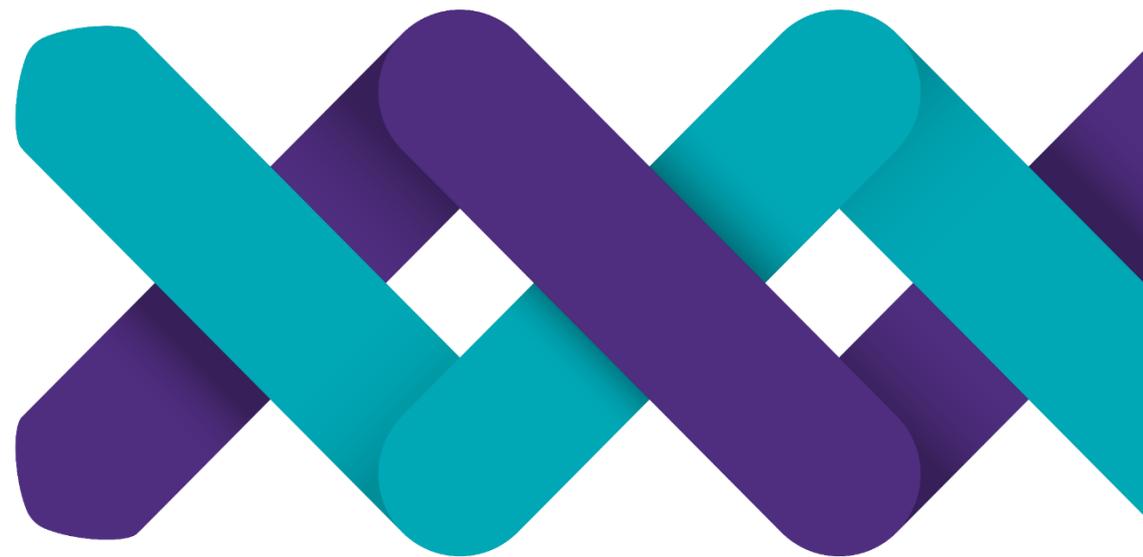


Progress Report- Interim Audit

Gravesham Borough Council

27 February 2019



Results of Interim Work

We have completed planning for the 2018/19 financial statements audit and have issued a detailed audit plan, setting out our proposed approach to the audit of the Council's 2018/19 financial statements. Our interim fieldwork visit included:

- Updated review of the council's control environment
- Updated understanding of financial systems
- Early substantive testing

| | Work performed | Conclusions and recommendations |
|------------------------------------|---|---|
| Control Environment | <p>We have obtained an understanding of the overall control environment relevant to the preparation of the financial statements including:</p> <ul style="list-style-type: none"> • Communication and enforcement of integrity and ethical values • Commitment to competence • Participation by those charged with governance • Management's philosophy and operating style • Organisational structure • Assignment of authority and responsibility | <p>Our work has identified no material weaknesses which are likely to adversely impact on the council's financial statements.</p> |
| Walkthrough Testing | <p>We have completed walkthrough tests of the council's operating systems in areas where we consider that there is a risk of material misstatement to the financial statements.</p> | <p>Our work has not identified any weaknesses which impact on our audit approach. Internal controls have been implemented by the council in accordance with our documented understanding.</p> |
| Journal control environment | <p>We have reviewed the council's journal entry policies and procedures as part journal early testing strategy.</p> | <p>We have not identified material weaknesses which are likely to adversely impact on your control environment or financial statements.</p> |

Results of Interim Work

| | Work performed | Conclusions and recommendations |
|----------------------------------|---|--|
| Early substantive testing | <p>We carried out the following early substantive work:</p> <ul style="list-style-type: none">• Substantive testing of fees, charges and other revenue items up to period 9• Substantive testing of Property, Plant and Equipment (PPE) additions up to period 9• Substantive testing of journals up to period 9• Testing of starters and leavers for the first 9 months of the year• Substantive analytical review of payroll expenditure up to period 9 | <p>The results of early testing are as follows:</p> <ul style="list-style-type: none">• Our samples for fees, charges and other revenue have been agreed to invoices and bank statements (or equivalent) proving receipt of income. (Please note that we have agreed to view the physical cheques for two of the revenue sample during our next visit).• All PPE additions samples have been agreed to appropriate supporting documentation proving the purchase of the item and the treatment . This is to ensure that assets have been correctly capitalised.• All of our journal samples were supported with appropriate evidence and explanations.• All starters and leavers were identified to have been recorded in the appropriate months.• We have also reviewed payroll trends over the first 9 months to obtain assurance over completeness. |

