

Central Bedfordshire Council

2010/11 External Audit Plan – Position Statement at March 2011

Area of work	Work performed/to be performed	Status	Report due
2010/11 Indicative Fee Letter	<p>A letter will be sent to the Council setting out the indicative audit fee for 2010/11.</p> <p>The fee is will be based on the risk based approach to audit planning as set out in the Code of Audit Practice and work mandated by the Audit Commission for 2010/11.</p> <p>More detailed planning documents for particular pieces of work will be issued during the year.</p>	<p>The fee letter has been issued to officers and the indicative fee was presented to the April 2010 Audit Committee meeting.</p> <p>The Audit Commission published the proposed work programme and scales of fees 2011/12 in December 2010. The Commission's proposals include rebates for 2010/11. The proposed rebates for 2010/11 are as follows:</p> <ul style="list-style-type: none"> • A rebate of 3.5 per cent of the 2010/11 scale fee for single tier councils. The 2010/11 scale fee for Central Bedfordshire was some £316,900 and on this basis the rebate would be some £11,090. • This rebate is in addition to the earlier rebate of 6 per cent of the 2010/11 scale fee that the Audit Commission made in respect of the additional audit costs arising from the transition to International Financial Reporting Standards (IFRS). This rebate was some £19,000 and paid in April 2010. • The Commission will also not charge inspection fees for work already carried out in 2010/11 on the managing performance element of the organisational assessment. This element was included at £18,293. 	April 2010

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2010/11 Audit Plan	The Audit Plan will detail the risks identified, planned audit procedures and any changes in fee.	A detailed plan for the audit of the financial statements has been agreed with officers and will be presented to the April Audit Committee.	April 2011
Final accounts	Audit of the Council's financial statements.	We have started our work on the Council's key financial systems. The detailed work on the statement of accounts will take place from July to September 2011.	Annual Governance Report – September 2011. Audit Opinion - September 2011.
Value for money conclusion	<p>We will issue a conclusion on whether the Council has established proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p> <p>From 2010/11 auditors will give their statutory value for money (VFM) conclusion based on two criteria specified by the Commission, as follows:</p> <ul style="list-style-type: none"> - The organisation has proper arrangements in place for securing financial resilience - The organisation has proper arrangements for challenging how it secures economy, efficiency and effectiveness, 	Our work on the value for money conclusion is in progress. We will need to carry out further work once the final outturn for 2010/11 is available. Our findings will be reported in the Annual Governance Report when the value for money conclusion is issued in September.	September 2011

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Grant claims 2010/11	<p>Our work on grant claims is charged at published daily rates, the fee is not included within the audit plan as part of the overall audit fee.</p> <p>The time taken to audit grant claims depends on the quality of working papers, whether we can rely on underlying systems and the extent of work needed to meet the requirements of government departments.</p> <p>An estimate of £100,562 for grant claims work has been included in the fee letter.</p>	We will audit claims when they are made available to us.	We will issue a report when we have completed the audit of all relevant 2010/11 claims.
Annual Audit Letter 2010/11	Summary of conclusions and significant issues arising from our audit work.	We will draft the Annual Audit Letter after we have issued the audit opinion and VFM Conclusion.	Issue to all Members by 30 November 2011.

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<p>2011/12 Indicative Fee Letter</p>	<p>A letter will be sent to the Council setting out the indicative audit fee for 2011/12.</p> <p>More detailed planning documents for particular pieces of work will be issued during the year.</p>	<p>The Audit Commission is proposing reductions in audit fees for 2011/12. In its fees consultation the Audit Commission proposed a reduction of 10% for Central Bedfordshire., as a unitary council. As a result of this the scale fee for Central Bedfordshire Council is £308,142 being a reduction of 10 per cent on the planned 2010/11 fee of £342,380.</p> <p>Following consultation the Commission published its final work programme and scale of fees on 25 February 2011. In addition to the consultation proposals the response to the consultation states that the Audit Commission has agreed, subject to affordability, to make additional rebates of up to £7.2 million (8%) in 2011/12.</p> <p>We will use the 2011/12 scale fee in planning our 2011/12 audit although this will also need to reflect any changes in circumstances and local risks. A 2011/12 indicative letter will be sent to the Council setting out the indicative audit fee for 2011/12 by the end of April 2012.</p>	<p>April 2011</p>