



Central Bedfordshire Council

Year ending 31 March 2013

Audit Progress Report

June 2013

Councillor Mike Blair
Chairman Audit Committee
Central Bedfordshire Council
Priory House
Monks Walk
Shefford
Bedfordshire SG17 5TQ

7th June 2013

Dear Mike

Audit progress report - 2012-13

We are pleased to attach our audit progress report.

The purpose of this report is to provide the Audit Committee with an overview of the stage we have reached in carrying out your 2012-13 audit. Our report sets out the work we have undertaken since our last progress report to you in April 2013.

This report also includes, at Appendix 2, a sector briefing which covers issues which may have an impact on your council, the local government sector and the audits that we undertake. This briefing is one of the ways that we hope to continue to support you and your organisation in an environment that is constantly changing and evolving.

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 sincerely

Mick West
Director
For and behalf of Ernst & Young LLP
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Contents

1. Work completed	2
2. Timetable	4
Appendix 1: Audit Progress on Deliverables.....	5
Appendix 2: Audit Committee Briefing	5

1. Work completed

2012-13 Audit Plan

The Audit Plan for 2012-13 was presented to the Audit Committee at its meeting in April 2013. The plan set out the financial statements and value for money conclusion risks that we had identified and our proposed response to those risks. Nothing has come to our attention since then that would require us to amend our plan.

Completion of walkthroughs and tests of control

We have completed our walkthroughs and controls testing with the exception of the asset management walkthrough. A number of the stages in this walkthrough relate to the financial year end and therefore this work will be completed as part of the audit of the financial statements. Our work to date has not identified any issues that we need to bring to your attention as those charged with governance.

Financial Statements

The detailed work on the statement of accounts will take place from July to September 2013. We will report our findings in the Annual Governance Report to the 24th September Audit Committee.

Value for money conclusion assessment

Our work on the value for money conclusion is largely complete. Our provisional conclusion, based on work completed to April 2013, is that the Council has proper arrangements in place to meet the two specified criteria. We will revisit this conclusion once the final outturn position for 2012-13 is known and report our conclusion in the Annual Governance Report.

Grant claim certification

We have just started work on the housing and council tax benefits subsidy claim for 2012-13. This is earlier than in previous years. This year the Council was able to submit the final claim for audit by the due date of 30th April, last year problems with CIVICA meant that a final claim could not be submitted for audit until 30th July. Work on the other claims to be certified will start in August.

In May 2013 we responded to the DWP (Department of Works and Pensions) on queries that had been raised with your officers, by the DWP, on our Qualification Letter on the 2011-12 housing and council tax benefits claim. The DWP had requested further information on the Council's arrangements for identifying cases that require a rent officer referral. We were able to confirm the arrangements that have been put in place for identifying such cases.

In addition your officers had carried out additional work on cells in the claim where we had reported extrapolated errors. We re-performed this work and were able to report revised extrapolations to the DWP. The Council has yet to receive a response from the DWP. The fee for this additional work will be £8,000 and was agreed with officers before we started the work.

2013-14 Audit Fee

The fee letter has been issued to officers and is included in the agenda for this meeting of the Audit Committee. The Audit Commission has set scales of fees as part of its five year procurement exercise. It has indicated scale fees are not liable to increase in that period unless there is a change in scope. We have therefore set the planned audit fee at the scale fee level which assumes the overall level of risk in relation to the audit of the 2013-14

Work completed

financial statements, Whole of Government Accounts and value for money conclusion is not significantly different from that of 2012-13. We will update our risk assessment and undertake more detailed planning for the 2013-14 audit after we complete the 2012-13 audit.

2. Timetable

Audit Committee timeline

The deliverables we have agreed to provide to you through the 2012-13 Audit Committee cycle are set out at Appendix 1.

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Appendix 1: Audit Progress on Deliverables

Progress against key deliverables

Key deliverable	Timetable in plan	Status	Comments
Fee letter	December 2012	Completed	December 2012
Audit plan	March - April 2013	Completed	April 2013
Report to those charged with governance	September 2013		
Auditor's report (including opinion and value for money conclusion)	September 2013		
Audit completion certificate	September 2013		
Auditor's report on WGA return	September 2013		
Annual audit letter	October 2013		
Annual report on certification of claims and returns	December 2013		

