

Central Bedfordshire Council

Year ending 31 March 2014

Audit Progress Report

March 2014



Building a better
working world

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

4th March 2014

Dear Mike

Audit progress report - 2013-14

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 2013-14 audit. Our report sets out the work we have undertaken since our last progress report to you in June 2014.

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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Work completed

2013-14 Audit Plan

The Audit Plan for 2013-14 is included in the agenda for this meeting of the Audit Committee. The plan sets out the financial statements and value for money conclusion risks that we had identified and our proposed response to those risks. The only significant risk that we have identified is the risk of "management override". This is the risk that 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. This is considered to be a significant risk at all of our audits and is not specific to Central Bedfordshire Council.

Completion of walkthroughs and tests of control

We are in the process of carrying out our walkthroughs and some controls testing of the Council's key financial systems, placing reliance on the work of internal audit where possible.

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 financial statements will take place from July to September 2014. We will report our findings in our Annual Results Report to the 22 September Audit Committee.

Value for money conclusion assessment

We have completed our initial risk assessment for our value for money conclusion work against the Audit Commission's specified criteria and areas of focus. As set out in the Audit Plan for 2013-14 we have not identified any significant risks that we need to undertake additional local risk based work to address.

Grant claim certification

The results of our work on Central Bedfordshire Council's 2012-13 claims and returns were reported to the January 2014 meeting of this Committee.

We have not yet started certification work for 2013-14 claims and returns, apart from our early planning work in respect of the housing and benefits subsidy claim. At the time of drafting this report the DWP (Department of Works and Pensions) have not raised any queries with your officers, or asked for additional work to be carried out, in respect of our qualification letter on the 2012-13 housing and council tax benefits claim.

2014-15 audit Fee

At the time of drafting this report the Audit Commission had yet to publish the final work programme and fees for 2014-15. They expect to do this in March 2014. The Audit Commission has set scales of fees as part of its five year procurement exercise and has indicated scale fees are not liable to increase in that period unless there is a change in scope. The 2014-15 fee letter will be issued to officers before the end of April 2014 and will be included in the agenda for the next meeting of the Audit Committee.

Timetable

Audit Committee timeline

The deliverables we have agreed to provide to you through the 2013-14 Audit Committee cycle are set out at Appendix 1.

Appendix 1: Audit Progress on Deliverables

Progress against key deliverables

| Key deliverable | Timetable in plan | Status | Comments |
|---|--------------------|-----------|------------|
| Fee letter | June 2013 | Completed | June 2013 |
| Audit plan | March - April 2014 | Completed | March 2014 |
| Report to those charged with governance | September 2014 | | |
| Auditor's report (including opinion and value for money conclusion) | September 2014 | | |
| Audit completion certificate | September 2014 | | |
| Auditor's report on WGA return | September 2014 | | |
| Annual audit letter | October 2014 | | |
| Annual report on certification of claims and returns | December 2014 | | |