

Central Bedfordshire Council

Year ending 31 March 2014

Audit Progress Report

December 2014



Building a better
working world

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

2 December 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
Enc

Contents

Work completed	2
Timetable	3
Appendix 1: Audit Progress on Deliverables.....	4
Appendix 2: Audit Committee Briefing	5

Work completed

2013-14 Audit Plan

Our work on the 2013-14 audit is complete. We reported the findings from our financial statements and value for money audit work in our Annual Results Report to the 22 September Audit Committee.

The Annual Audit Letter was sent to all Members of the Council in October 2014. Within this report, we set out the 'final' audit fees, as required by the Audit Commission. However, the Audit Commission has recently consulted on a supplement to the 2014-15 audit scale fees. In that consultation, the Audit Commission applied a permanent variation of £1,070 to the base scale fee for unitary authorities. This reflects the additional audit procedures required to gain sufficient audit assurance around business rate income and expenditure within the Collection Fund.

This additional work is required because the certification work on Business Rates, the NNDR3 return, is no longer within the Audit Commission's certification regime. Auditors were previously able to use this work to provide assurance for the audit opinion on the financial statements including the Collection Fund. The Audit Commission has acknowledged that auditors were required to undertake additional audit procedures to be able to gain assurance for the 2013-14 financial statements opinion. In recognizing that this applies equally to 2013-14, the Audit Commission has asked us to agree a scale fee variation of £1,070 to that audit fee with you. The audit fee for 2013-14 will increase from £184,855 to £185,955.

We are required to report the final audit fee to the Audit Committee, as 'those charged with governance' of the Council, and the letter setting out the revised final scale fee in respect of the 2013-14 audit is included in the agenda for this meeting.

2014-15 Audit Plan

As noted above the Audit Commission has applied a permanent variation of £1,070 to the audit scale fee for unitary authorities. The audit fee for the 2014-15 audit will therefore increase from £184,855 to £185,955.

We are currently updating our risk assessment and undertaking more detailed planning for the 2014-15 audit. The Audit Plan for 2014-15 will be presented to the Audit Committee at its meeting in March 2015.

Grant claim certification

The Certification of claims and returns annual report 2013-14 is included in the agenda for this meeting of the Audit Committee. The report sets out the results of our work on the Housing and Council Tax benefits subsidy claim and the Pooling of housing capital receipts return.

Timetable

Audit Committee timeline

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

Appendix 1: Audit Progress on Deliverables 2013-14

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	Completed	September 2014
Auditor's report (including opinion and value for money conclusion)	September 2014	Completed	September 2014
Audit completion certificate	September 2014	Completed	September 2014
Auditor's report on WGA return	September 2014	Completed	September 2014
Annual audit letter	October 2014	Completed	September 2014
Annual report on certification of claims and returns	December 2014	Completed	December 2014
