

# Bracknell Forest Council

Progress Report

July 2014



Building a better  
working world

Governance and Audit Committee  
Bracknell Forest Council  
Easthampstead House  
Town Square  
Bracknell  
Berkshire  
RG12 1AQ

14 July 2014

## **Audit Progress Report- 2013/14**

We are pleased to attach our Audit Progress Report.

This report summarises the work we have undertaken to date and our plans for the remainder of the 2013/14 year. Its purpose is to provide the Governance and Audit Committee with an overview of the stage we have reached in the 2013/14 audit and ensure our audit is aligned with the Committee's service expectations.

Our audits are undertaken in accordance with the requirements of the Audit Commission Act 1998, the Code of Audit Practice, the Audit Commission Standing Guidance, auditing standards and other professional requirements.

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 audits.

Yours faithfully



Helen Thompson  
Ernst & Young LLP  
United Kingdom  
Enc.

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In March 2010 the Audit Commission issued a revised version of the 'Statement of responsibilities of auditors and audited bodies' (Statement of responsibilities). It is available from the Chief Executive of each audited body and via the [Audit Commission's website](#).

The Statement of responsibilities serves as the formal terms of engagement between the Audit Commission's appointed auditors and audited bodies. It summarises where the different responsibilities of auditors and audited bodies begin and end, and what is to be expected of the audited body in certain areas.

The Standing Guidance serves as our terms of appointment as auditors appointed by the Audit Commission. The Standing Guidance sets out additional requirements that auditors must comply with, over and above those set out in the Code of Audit Practice 2010 (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Report is prepared in the context of the Statement of responsibilities. It is addressed to the Members of the audited body, and is prepared for their sole use. We, as appointed auditor, take no responsibility to any third party.

**Our Complaints Procedure** – If at any time you would like to discuss with us how our service to you could be improved, or if you are dissatisfied with the service you are receiving, you may take the issue up with your usual partner or director contact. If you prefer an alternative route, please contact Steve Varley, our Managing Partner, 1 More London Place, London SE1 2AF. We undertake to look into any complaint carefully and promptly and to do all we can to explain the position to you. Should you remain dissatisfied with any aspect of our service, you may of course take matters up with our professional institute. We can provide further information on how you may contact our professional institute.

# Work completed

## Financial Statements

### *Documenting financial systems and testing controls*

We have completed the majority of our work to document and walk-through your financial systems, understand the overall control environment and risks impacting on our responsibilities and testing of controls.

Our assessment of the risks impacting on the audit of the financial statements for the Council is set out in our 2013-14 audit plan which we presented to the April meeting of the Governance and Audit Committee.

### *Audit of the Financial Statements*

We have agreed working paper requirements with the Council. Our main visit will take place in August, and we will report our findings to the Governance and Audit Committee scheduled on 24 September 2014.

## Value for money assessment

The Audit Commission has issued guidance on the 2013/14 value for money conclusion for CCGs. The full guidance can be found at <http://www.audit-commission.gov.uk/technicaldirectory/vfm1314/>.

Under the Code of Audit Practice we are required to satisfy ourselves that Council have put in place proper arrangements for securing economy, efficiency and effectiveness in their use of resources.

Our work will focus on:

- whether there are proper arrangements in place for securing financial resilience at the Council; and
- whether there are proper arrangements in place at the Council to secure economy, efficiency and effectiveness in the use of resources.

We included our assessment of the risks impacting on the 2013/14 value for money conclusion at the Council in our audit plan presented to the Governance and Audit Committee in April. Since issuing our audit plan we are aware of further updates with the town centre development. We are having regular discussions with the Borough Treasurer on the options for the development and we will consider the impact of these on our value for money conclusion.

## The audit team

Since drafting the audit plan there are changes to the audit team below Director grade due to staff leaving EY:

- Hannah Ormston will be replacing Rachel Cobley; and
- Another manager will be replacing Catherine Morganti when she leaves at the end of July.

Helen will be working with the outgoing and incoming team members to ensure a smooth handover and avoid disruption to the Council.

## **Sector briefings**

In addition to the above formal reporting and deliverables we seek to provide practical business insights and updates on regulatory matters.

Members will shortly receive the latest sector briefings for Local Government. EY also produce briefings for health sector audit committees and these can be made available to members upon request.

# Timetable

## Audit Committee Timeline

We have set out below a timetable showing the key stages of the audit, including the value for money work and the Whole of Government accounts; and the deliverables we have agreed to provide to you through the Governance and Audit Committee cycle in 2014. These dates are determined to ensure our alignment with the Audit Commission’s rolling calendar of deadlines.

We will provide progress reports to each meeting of the Governance and Audit Committee and will provide a formal report detailing the results of our 2013/14 audit to the September meeting of the Committee. From time to time matters may arise that require immediate communication with the Governance and Audit Committee and we will discuss them with the Committee Chairman as appropriate.

Following the conclusion of our audit we will prepare an annual audit letter in order to communicate to the Council and external stakeholders, including members of the public, the key issues arising from our work.

| Audit phase                                   | Timetable                   | Deliverables   |
|---|-----------------------------|--|
| High level planning:                          |                             | Audit Fee Letter   |
| Risk assessment and setting of scope of audit | <b>January – March</b>      | Audit Plan   |
| Testing of routine processes and controls     | <b>March – April</b>        | Audit Plan   |
| Year-end audit                                | <b>July - September</b>     | <ul style="list-style-type: none"> <li>▶ Report to those charged with governance</li> <li>▶ Audit report on the financial statements and value for money conclusion</li> <li>▶ Audit Completion certificate</li> <li>▶ Whole of government accounts</li> </ul> |
| Reporting                                     | <b>October</b>              | Annual Audit Letter  |
| Grant Claims                                  | <b>September – December</b> | Annual certification report  |

## Appendix 1: Audit Progress

| <i>Progress against key deliverables</i>         |                          |               |  |
|--|--------------------------|---------------|--|
| <b>Key deliverable</b>                           | <b>Timetable in plan</b> | <b>Status</b> | <b>Comments</b>  |
| Fee Letter                                       | March 2013               | Completed     | Reported to the Governance and Audit Committee                           |
| Audit Plan                                       | April 2014               | Completed     | Reported to the April 2014 meeting of the Governance and Audit Committee |
| Report to Those Charged with Governance          | September 2014           | -             | -  |
| Audit Report (including opinion, vfm conclusion) | September 2014           | -             | -  |
| Audit Certificate                                | September 2014           | -             | -  |
| WGA submission to NAO                            | September 2014           | -             | -  |
| Annual Audit Letter                              | October 2014             | -             | -  |

**EY** | Assurance | Tax | Transactions | Advisory

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