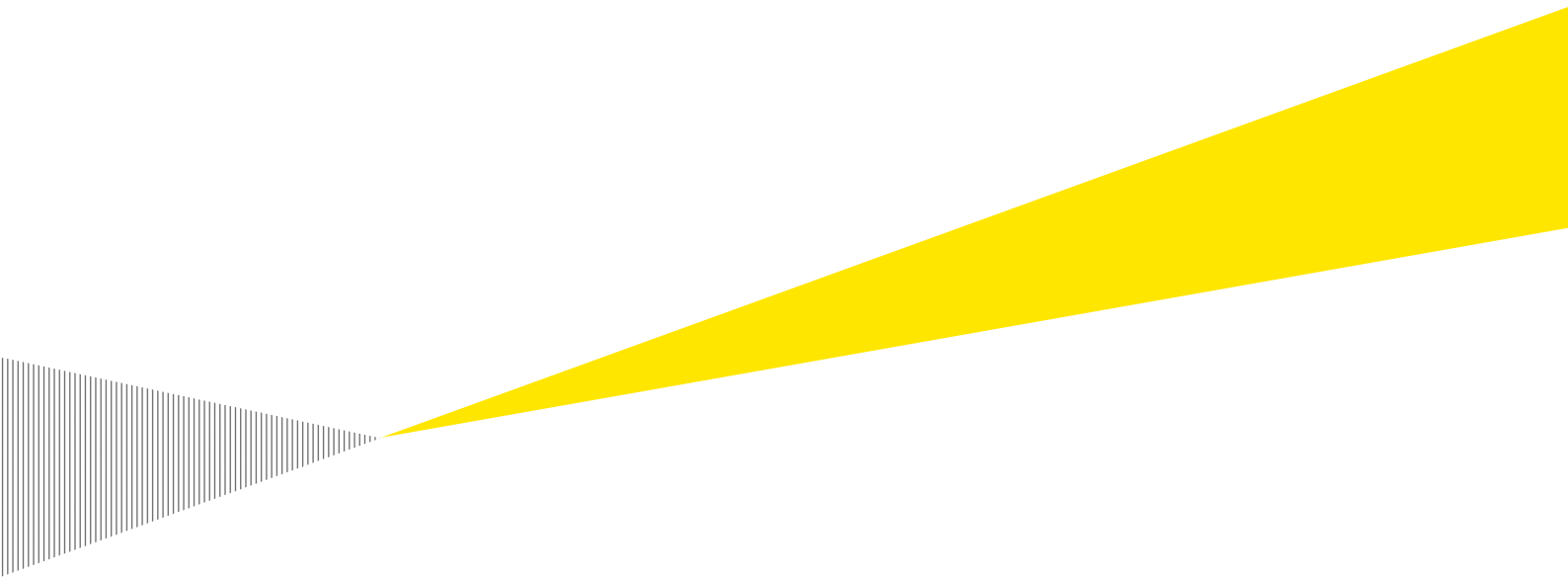


# East Cambridgeshire District Council

Year ending 31 March 2016

Audit Progress Report

For Corporate Governance & Finance Committee on 30 June  
2016



Corporate Governance & Finance Committee  
East Cambridgeshire District Council  
The Grange, Nutholt Lane  
Ely  
Cambridgeshire  
CB7 4EE

20 June 2016

Dear Committee members

## Audit Progress Report – 2015/16

We are pleased to attach our Audit Progress Report.

The purpose of this report is to provide the Corporate Governance & Finance Committee with an overview of the stage we have reached in your 2015/16 audit and ensure our audit is aligned with the Committee's service expectations.

Our audit will be undertaken in accordance with the requirements the Local Audit and Accountability Act 2014, the NAO Code of Audit Practice (the Code), the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, 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 audit.

Yours faithfully



Neil Harris  
Director  
For and behalf of Ernst & Young LLP  
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In April 2015 Public Sector Audit Appointments Ltd (PSAA) issued ‘Statement of responsibilities of auditors and audited bodies 2015-16’. It is available from the Chief Executive of each audited body and via the [PSAA website](http://www.psaa.co.uk) ([www.psaa.co.uk](http://www.psaa.co.uk))

The Statement of responsibilities serves as the formal terms of engagement between 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 ‘Terms of Appointment from 1 April 2015’ issued by PSAA sets out additional requirements that auditors must comply with, over and above those set out in the National Audit Office Code of Audit Practice (the Code) and statute, and covers matters of practice and procedure which are of a recurring nature.

This Annual Plan is prepared in the context of the Statement of responsibilities. It is addressed to the Corporate Governance & Finance Committee, and is prepared for the sole use of the audited body. 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

### Audit status

This is our progress report for the 2015/16 audit year. Appendix A is a summary of the key deliverables and progress against these.

### Planning

From January to March 2016, we completed our planning and interim procedures for the 2015/16 audit year. This has comprised:

- ▶ Meetings with key staff to discuss the significant risks facing the Council;
- ▶ Updating our understanding of the Council and its business; and
- ▶ Undertaking walkthroughs of key financial systems and test of controls where applicable.

The work undertaken at the planning stage has informed our approach to the opinion audit and our value for money conclusion as set out in our Audit Plan. The Audit Plan was reported to the Corporate Governance & Finance Committee in March 2016 and includes our assessment of the significant risks related to our 2015/16 audit.

### Opinion audit

We audit the Council's Statement of Accounts in line with the NAO Code of Audit Practice (the Code), the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirement.

Our audit plan, presented to the Corporate Governance & Finance Committee in March, details the significant risks related to our opinion audit.

At the conclusion of our work, we provide an opinion on whether the financial statements give a true and fair view of the financial position of the Council and of its expenditure for the financial year under audit and on whether the financial statements give a true and fair view of the group financial position and of its expenditure for the financial year under audit.

We are due to commence the audit on 27 June, and to report by the deadline of 30 September. As your Corporate Governance & Finance Committee is on 29 September, some time after the audit visit, we would like to bring an initial draft of our Audit Results Report to the committee on 28 July 2016.

### Value for money conclusion

As part of our planning procedures, we have considered the significant risks of giving a wrong conclusion. We need to carry out as much work as is appropriate to enable us to give a safe conclusion on arrangements to secure value for money.

We have identified budget pressures as a risk to our value for money conclusion, as detailed in our audit plan.

This reflects the challenges the Council is continuing to face in the short and medium term.

## Audit Committee Briefing

We publish quarterly sector briefings, which 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. These briefings are issued quarterly to the Head of Finance and the Chief Executive, and are also included in the committee papers.

The briefings cover issues which may have an impact on your organisation, the local government sector and the audits that we undertake.

Links to where you can find out more on any of the articles featured can be found at the end of the briefings, as well as some examples of areas where EY can provide support to Councils.

We hope that you find the briefings informative and should this raise any issues that you would like to discuss further please do contact your local audit team.

# Timetable

## Corporate Governance & Finance 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 2015/16 Corporate Governance & Finance Committee cycle.

We will provide formal reports to the Corporate Governance & Finance Committee throughout our audit process as outlined below. Where required, we will issue an Interim Report, summarising the findings from our audit at that stage. From time to time matters may arise that require immediate communication with the Corporate Governance & Finance Committee and we will discuss them with the Corporate Governance & Finance Committee Chair as appropriate.

Following the conclusion of our audit we will prepare our 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
Fee planning	April 2015	Fee Letter
High level planning:	January – March 2016	Audit Plan March 2016
Risk assessment and setting of scopes	February – March 2016	Audit Plan March 2016
Walk-throughs of key financial systems	February – March 2016	
Value for money conclusion	July - September 2016	Report to those charged with governance (Audit Results Report) Audit report (including our opinion on the financial statements and a conclusion as to whether the Council has put in place proper arrangements' to secure economy, efficiency and effectiveness on its use of resources)
Year-end audit	Late June – early August 2016	Report to those charged with governance (Audit Results Report)  Audit report (including our opinion on the financial statements and a conclusion as to whether the Council has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources)
		Whole of Government Accounts Submission to NAO based on their group audit instructions
		Audit completion certificate
Reporting	September – October 2016	As above, and Annual Audit Letter

## Appendix A Audit Progress

### *Progress against key deliverables*

Key deliverable	Timetable in plan	Status	Comments
Fee Letter	April 2015	Complete	Issued 22 April 2015
Audit Plan	March 2016	Complete	Issued March 2016
Report to Those Charged with Governance	September 2016		
Audit Report (including opinion and vfm conclusion)	September 2016		
Audit Certificate	September 2016		
WGA Submission to NAO	September 2016		
Annual Audit Letter	October 2016		

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