

East Cambridgeshire District Council
Audit Progress Report

6 June 2017

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Dear Members of the Resources and Finance Committee

This document provides the Committee with a report on the progress of our 2016/17 audit of the Council's 2016/17 statement of accounts and is part of our commitment to ensuring that our audit is aligned with the Committee's service expectations.

We agreed our detailed Audit Plan with you at the Corporate Governance & Finance Committee on 3 April 2017.

In addition to this report we have also shared with the Committee our latest sector briefing, which is one of the ways that we hope to continue to support you in an environment that is constantly changing and evolving. The briefings cover issues which may have an impact on the Council. The briefings include links to where you can find out more on any of the articles featured, as well as some examples of areas where EY can provide support to Councils.

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

Suresh Patel
Executive Director

For and on behalf of Ernst & Young LLP

United Kingdom



01

Executive Summary



Executive Summary

Audit Planning

From January 2017 to March 2017 we completed our planning and interim procedures for the 2016/17 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 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 April 2017 and includes our assessment of the significant risks related to our 2016/17 audit.

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 no significant risks to our value for money conclusion, as detailed in our audit plan, however we did detail some areas of focus.

Audit of the statement of accounts

- ▶ 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 April, 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 26 June, and to report by the deadline of 30 September. However, in readiness for the earlier deadlines in 2018, we plan to be substantially complete by mid-August. As your Resources & Finance Committee is on 21 September, sometime after the audit visit, we would like to agree a draft of our Audit Results Report with officers by mid-August.



02 Timetable



Timetable

Resources and 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 2016/17 Resources & Finance Committee cycle.
- ▶ We will provide formal reports to the Resources & Finance Committee throughout our audit process as outlined below. From time to time matters may arise that require immediate communication with the Resources & Finance Committee and we will discuss them with the Resources & Finance Committee Chair 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
Initial planning	April 2016	Fee letter (issued April 2016)
Risk assessment and setting of scopes	January 2017-February 2017	Audit plan (presented to April 2017 committee)
Walk through of processes	February- March 2017	Interim report (by exception)
Value for money conclusion	March 2017	Interim report (by exception)
Year-end audit	June - July 2017	Audit results report (to those charged with governance) in September 2017. 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). Audit completion certificate Whole of government accounts submission to NAO based on their group audit instructions
Reporting	October 2017	Annual audit letter

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