

# Crawley Borough Council

Audit and Governance Committee

25 February 2014

Ernst & Young LLP



Building a better  
working world

**Audit and Governance Committee**

Crawley Borough Council  
Town Hall  
The Boulevard  
Crawley

25 February 2014

Dear Sirs

**Audit Progress Report**

We are pleased to attach our Audit Progress Report.

It sets out the work we have completed since our last report to the Committee. Its purpose is to provide the Committee with an overview of the 2012/13 audit since our last progress report, and an outline of our plans for the 2013/14 audit. This Progress Report is a key mechanism in ensuring that our audit is aligned with the Committee's service expectations.

Our audit is 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 audit.

Yours faithfully



Paul King  
Director  
Ernst & Young LLP

## Contents

<b>1. Work Completed: 2012/13.....</b>	<b>1</b>
<b>2. Audit Progress for 2012/13.....</b>	<b>2</b>
<b>3. 2013/14 Audit.....</b>	<b>3</b>
<b>4. Timetable: 2013/14.....</b>	<b>4</b>

## **1. Work Completed: 2012/13**

### **1.1 Grant claim certification**

We have completed our work on grant claim certification. Our 2012/13 annual report on the certification of claims and returns which provides more details on the work undertaken and is being presented to this meeting of the Committee. This completes our work on the 2012/13 audit.

## 2. Audit Progress for 2012/13

Progress against key deliverables			
Key deliverable	Timetable in plan	Status	Comments
Fee Letter	December 2012	Completed	
Audit Plan	January – April 2013	Completed	Reported to the March 2013 meeting of the Audit and Governance Committee.
Reports to Those Charged with Governance	September 2013	Completed	Reported to the September 2013 meeting of the Audit and Governance Committee.
Audit Reports (including opinion, vfm conclusion)	September 2013	Completed	Reported to the September 2013 meeting of the Audit and Governance Committee.
Audit Certificate	September 2013	Completed	Reported to the September 2013 meeting of the Audit and Governance Committee.
WGA submissions to NAO	September 2013	Completed	Reported to the September 2013 meeting of the Audit and Governance Committee.
Annual Audit Letter	October 2013	Completed	Reported to the December 2013 meeting of the Audit and Governance Committee.
Report on the audit of Grant Claims	February 2014	Completed	To be reported to the March 2014 meeting of the Audit and Governance Committee.

## **3. 2013/14 Audit**

### **3.1 Fee letter**

We issued our 2013/14 fee letter to the Council in April 2013.

### **3.2 Financial Statements**

We adopt a risk based approach to the audit and as part of our ongoing continuous planning we regularly meet with key officers and other stakeholders:

- ▶ February 2014 – Director of Resources and Head of Finance, Revenues and Benefits our audit approach and to continue to develop our understanding of the challenges and risks you are facing.
- ▶ February 2014 – Deputy Head of Finance to discuss our audit approach, the timing of our work, our resources and the VFM conclusion.
- ▶ February 2014 – Finance Officers to discuss our analytics approach and requirements for the audit this year.
- ▶ We continue to liaise with Internal Audit to ensure we can place reliance on their work where possible.

Our work to identify the Council's material income and expenditure systems and to walk through these systems and controls commenced in February 2014. The detailed testing of the controls and critical path of each material system is planned for March 2014. We will maximise the reliance we place on the work of Internal Audit to support our work in this area.

We will continue to use our computer-based analytics tools to enable us to capture whole populations of your financial data, in particular journal entries and payroll.

### **3.3 Value for money**

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

There are no planned changes to the approach in 2013/14. We will carry out our initial risk assessment in the new calendar year and report the risks we have identified and associated work we will carry out in our detailed audit plan.

## 4. Timetable: 2013/14

### 4.1 Audit and Governance Committee Timeline

We set out below a timetable showing the key stages of the audit, including the value for money work, and the deliverables we will provide to you through the 2013/14 Audit and Governance Committee cycle.

We will provide formal reports to the Audit and Governance Committee throughout our audit process as outlined below.

Audit phase	Timetable	Deliverables
High level planning:	<b>April 2013</b>	Audit Fee Letter
Risk assessment and setting of scope of audit	<b>January – March 2014</b>	Audit Plan
Testing of routine processes and controls	<b>March – April 2014</b>	Audit Plan
Year-end audit	<b>July – September 2014</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 2014</b>	Annual Audit Letter
Grant Claims	<b>September – December 2014</b>	Annual certification report

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

**Ernst & Young LLP**

© Ernst & Young LLP. Published in the UK.  
All rights reserved.

The UK firm Ernst & Young LLP is a limited liability partnership  
registered in England and Wales  
with registered number OC300001 and is a member firm of Ernst &  
Young Global Limited.

Ernst & Young LLP, 1 More London Place, London, SE1 2AF.

[ey.com](http://ey.com)