



New Forest District Council

Year ending 31 March 2013

Audit Progress Report

12 March 2013

Audit Committee
New Forest District Council
Appletree Court
Beaulieu Road
Lyndhurst
SO43 7PA

12 March 2013

Dear Sir/Madam

Audit Progress Report - 2012/13

We are pleased to attach our Audit Progress Report.

This report summarises the work we have undertaken to date since our appointment as your auditor on 1 September 2012. The purpose of this report is to provide the Audit Committee with an overview of the stage we have reached in your 2012/13 audit and ensure our audit is aligned with the Committee's service expectations. We are presenting our Audit Plan to the Audit Committee as a separate agenda item.

Our audit will be 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

Helen Thompson
Director
For and behalf of Ernst & Young LLP
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1. Work completed

Meetings

We have met with senior managers and other staff as part of our ongoing audit process:

- Introductory meeting with the Chief Executive and Executive Director (Finance) to discuss the engagement team, outline our audit approach and discuss the key issues facing the Council.
- Meetings with the Internal Audit Manager to discuss internal audit's progress and the findings from 2012/13 work completed to date.
- Meetings with key finance staff to discuss significant risks around the accounts preparation process.

Completion of systems walkthroughs and tests of control

We have completed our systems walkthroughs and some tests of control, placing reliance on the work of Internal Audit where possible. Aside from the financial risks identified in the Audit Plan, our work has not identified any issues that we need to bring to your attention as those charged with governance.

Our IT auditors have commenced their walkthroughs and testing of IT controls; their work will be concluded by the end of March 2013. We have provided the Council with assurance over our data protection arrangements.

Analytics

Our Analytics lead has met with key finance staff and the relevant systems administrators to agree key deadlines for data submission.

Value for money assessment

We have completed our initial risk assessment for our value for money work. We have not identified any significant risks that we need to undertake additional local risk based work to address.

Grant claim certification

We have not yet started any work on the certification of your claims. We will discuss the timing of our certification work with relevant officers when the claim submission deadlines are confirmed.

2. Timetable

Audit Committee timeline

Our Audit Plan includes a timetable showing the key stages of the audit, including the value for money work, the whole of government accounts submission, and the deliverables we have agreed to provide to you through the 2012/13 Audit Committee cycle.

We will provide formal reports to the Audit 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 Audit Committee and we will discuss them with the 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.

In addition to the above formal reporting and deliverables we will seek to provide practical business insights and updates on regulatory matters through our Sector Briefings; the next briefing will be available in April 2013.

Planning discussions

We concluded our planning discussions during January 2013. We have recently shared our draft 2012/13 Audit Plan with the Executive Director (Finance) and relevant officers, and it is included on today's agenda. We will continue to update our planning throughout the course of our audit process.

Appendix 1: Audit Progress

Progress against key deliverables

| Key deliverable | Timetable in plan | Status | Comments |
|---|--------------------------|---------------|--|
| Fee Letter | February 2013 | Completed | Reported to 8 February 2013 Audit Committee |
| Audit Plan | March 2013 | Completed | Reported to 22 March 2013 Audit Committee |
| Report to Those Charged with Governance | September 2013 | | We plan to present this report to the September 2013 Audit Committee |
| Audit Report (including opinion and vfm conclusion) | September 2013 | | We plan to present this report to the September 2013 Audit Committee |
| Audit Certificate | September 2013 | | We plan to present this to the September 2013 Audit Committee |
| WGA Certificate | September 2013 | | We plan to present this to the September 2013 Audit Committee |
| Annual Audit Letter | October/November 2013 | | We plan to present this to the November 2013 Cabinet. |
| Report on the Certification of Grant Claims | October/November 2013 | | We plan to present this report to the January 2014 Audit Committee |

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