

**New Forest District Council**  
**Progress Report to the Audit Committee**

27 March 2015



Members of the Audit Committee  
New Forest District Council  
Appletree Court  
Beaulieu Road  
Lyndhurst  
Hampshire  
SO43 7PA

27 March 2015

## **Audit Progress Report – 2014/15**

We are pleased to attach our Audit Progress Report.

This report summarises the planned work for the 2014/15 audit and the work undertaken to date. Its purpose is to provide Members of the Audit Committee with an overview of the stages for the 2014/15 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.

## 2014/15 audit

### 2014/15 Financial statements

We are required to give an audit opinion on whether the financial statements of New Forest District Council give a true and fair view of its financial position as at 31 March 2015 and of the income and expenditure for the year then ended.

We adopt a risk based approach to the audit and as part of our ongoing continuous planning we continue to meet key officers and other stakeholders. The timing of each stage of the audit is shown at the end of this report.

### Interim fieldwork

We are currently carrying out the planning and interim fieldwork in testing of routine controls and processes. We have completed our risk assessment and scoped the audit.

### 2014/15 Value for money assessment

We are required to give a statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness. The Audit Commission has two specified criteria for the value for money conclusion for the 2014/15 audit. Our work will therefore focus on:

- ▶ arrangements for securing financial resilience - whether the Council has robust systems and processes to manage financial risks and opportunities effectively, and to secure a stable financial position that enables it to continue to operate for the foreseeable future; and
- ▶ arrangements for securing economy, efficiency and effectiveness - whether the Council is prioritising resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

There are no significant issues arising from our work completed to date that we need to report to the Committee.

Our detailed audit plan, setting out the risks we have identified and the work we will undertake in response, will be presented to the Audit Committee in June 2015.

## Timetable

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 2014/15 Audit Committee cycle. We will provide formal reports to the Audit Committee throughout our audit process as outlined below.

Audit phase	EY Timetable	Deliverable	Associated Audit Committee	Status
High level planning	<b>November – January 2015</b>	<ul style="list-style-type: none"> <li>Audit Fee Letter</li> </ul>	December 2014	Ongoing
Risk assessment and setting of scope of audit	<b>March 2015</b>	<ul style="list-style-type: none"> <li>Audit Plan</li> </ul>	June 2015	
Testing of routine processes and controls	<b>March 2015</b>	<ul style="list-style-type: none"> <li>Audit Plan</li> </ul>	June 2015	
Year-end audit	<b>July - August 2015</b>	<ul style="list-style-type: none"> <li>Audit results report to those charged with governance</li> <li>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 their use of resources)</li> <li>Whole of Government Accounts Submission to NAO based on their group audit instructions</li> <li>Audit Completion certificate</li> </ul>	September 2015	
Annual Reporting	<b>October 2015</b>	<ul style="list-style-type: none"> <li>Annual Audit Letter</li> </ul>	November 2015	

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