



East Sussex Fire Authority

Year ending 31 March 2013

Audit Progress Report

April 2013

Members of the Scrutiny & Audit Panel
East Sussex Fire Authority
20 Upperton Road
Eastbourne
East Sussex
BN21 1EU

April 2013

Dear Members

Audit Progress Report - April 2013

We are pleased to attach our Audit Progress Report.

Our report sets out 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 Scrutiny & Audit Panel with an overview of the stage we have reached in delivering your 2012/13 audit. This Progress Report is the first step in ensuring that our audit is aligned with the Panel's service expectations.

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



Paul King
Director
For and behalf of Ernst & Young LLP

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1. Work completed

Meetings

We have held a number of planning meetings with officers and other stakeholders as part of our audit planning process:

- November 2012 – Introductory meeting with Chief Fire Officer, Assistant Chief Officer (Corporate Services), Treasurer and Finance Manager.
- December 2012 – Meeting with Internal Audit to discuss reliance on their work.
- January 2012 – various meetings with officers to progress our audit planning procedures and risk assessment.
- February – meeting Deputy Chief Officer to discuss the VFM conclusion risk assessment, obtain management assurances and facilitate the use of our analytics tools.
- March 2013 – Various meetings with finance staff to document and walk through key financial systems.
- March 2013 – Further discussion with Internal Audit relating to the reliance we hope to place on their work.
- March 2013 – Discussions with finance staff related to the financial close down process and our working paper requirements to support the financial statements.
- March 2013 – Various meetings with finance staff to test system controls.
- March 2013 – Meeting with Chief Fire officer and Treasurer

Discussion of significant risks

Our audit planning processes are largely complete. We have held a number of meetings with key finance officers and Internal Audit and have used this work to identify the significant audit risks which are reported in our Audit Plan presented to the 11 April 2013 Scrutiny & Audit Panel.

Our year-end audit will undertaken between July and September 2013. Site visit dates and expected outputs have been agreed with the officers

Data Analytics

Ernst & Young use data analytics tools to comprehensively test large populations and to identify anomalies. This work provides a high level of audit assurance as the entire population is reviewed. We plan to use these tools to analyse journals at the Authority. Our data information request has been issued to the Authority. The detailed audit review will be undertaken as part of our post statement audit work in the summer.

Value for money assessment

Our initial risk assessment for our value for money work against the Audit Commission's specified criteria and areas of focus has been completed. The significant risks are summarised in our Audit Plan which is presented to this Panel meeting.

Independence

Independence is a fundamental concept underlying the performance of an audit. The Ernst and Young Global (EYG) Independence Policy is designed to comply with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants. The Company takes all threats to independence very seriously. No threats have been identified to date.

2. Timetable

Scrutiny & Audit Panel 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 2013/14 Scrutiny & Audit Panel cycle.

We will provide formal reports to the Scrutiny & Audit Panel throughout our audit process as outlined below. From time to time matters may arise that require immediate communication with the Scrutiny & Audit Panel and we will discuss them with the Scrutiny & Audit Panel Chair as appropriate.

Following the conclusion of our audit we will prepare an Annual Audit Letter in order to communicate to the Authority and external stakeholders, including members of the public, the key issues arising from our work.

Audit phase	Timetable	Deliverables
High level planning:	December 2012	Fee Letter
Risk assessment and setting of scopes	January - March	
Testing of routine processes and controls	April 2013	Audit Plan
Value for money conclusion	July- September 2013	
Year-end audit	July – September	Report to those charged with governance (19 September 2013 Scrutiny & Audit Panel). By 30 September 2013 audit report (including our opinion on the financial statements and a conclusion as to whether the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources). Audit completion certificate. Whole of Government Accounts Certification (by 7 October 2013).
Reporting	November 2013	Annual Audit Letter

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.

Appendix 1: Audit Progress on Deliverables

Progress against key deliverables

Key deliverable	Timetable in plan	Status	Comments
Fee Letter	December 2012	Completed	Reported to 17 January 2013 Fire Authority Meeting. Reported to 11 April Scrutiny & Audit Panel for information only.
Audit Plan	April 2013	Completed	Reported to 11 April Scrutiny & Audit Panel.
Report to Those Charged with Governance	September 2013		To be reported to 19 September 2013 Scrutiny & Audit Panel.
Audit Report (including opinion and value for money conclusion)	September 2013		Draft to be reported to 19 September 2013 Scrutiny & Audit Panel. Final Audit Report to be issued by 30 September 2013.
Audit Certificate	September 2013		To be issued by 30 September 2013.
WGA Certificate	September 2013		To be issued by 7 October 2013.
Annual Audit Letter	November 2013		To be presented to November 2013 Scrutiny & Audit Panel.

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