

External Audit Plan 2014/15

To: Audit and Governance Committee

Date: 24 March 2015

Main Portfolio Area: Finance and Governance

Author of report: Lee Colyer, Finance Director

Classification: Non-Exempt

Ward: All Wards

SUMMARY

This report outlines the audit work that the External Auditor, Grant Thornton propose to undertake for the audit of the 2014/15 financial statements and the value for money assessment.

LINK TO STRATEGIC COMPASS

This report supports the 'value' quadrant on the Strategic Compass.

Report status

For decision.

Route to Implementation/Timetable:

For consideration and agreement by the Audit and Governance Committee.

BACKGROUND/INTRODUCTION

1. Each year the External Auditor undertakes an audit of the draft financial statements of the Council over the summer. This committee then consider the findings of the audit along with the audited financial statements at the September meeting.

WHAT IS THE ISSUE THAT REQUIRES A DECISION AND WHAT DOES THIS MEAN FOR THE PEOPLE OF TUNBRIDGE WELLS?

2. The audit of the financial statements is planned on a risk-based approach and reflects:
 - Audit work specified by the external auditor for 2014/15;
 - Current national risks relevant to local circumstances; and
 - The Council's local risks.
3. The Audit Commission's Statement of Responsibility of Auditors and Audited Bodies sets out the respective responsibilities of the auditor and the audited body.
4. The audit work will be undertaken in compliance of the statutory requirements governing audit work, in particular:
 - The Audit Commission Act 1988; and
 - The Code of Audit Practice for Local Authorities.
5. At the conclusion of the audit the External Auditor will issue an audit report giving an opinion on whether the accounts give a true and fair view of the financial position of the Council as at 31 March 2015.
6. A copy of the audit plan is attached as an appendix to this report. The proposed fees are £79,312 (last year £85,806).

WHO HAVE WE CONSULTED AND HOW? (OR WHO WILL WE CONSULT FOLLOWING THE DECISION?)

7. The External Auditor has consulted with the Chief Executive and the Finance Director, the Audit and Governance Committee is now being asked for their approval.

HOW WILL THE DECISION BE COMMUNICATED?

8. This report will be published on to the Council's website.

WHAT ALTERNATIVE ACTION COULD WE TAKE? (where appropriate)

9. The Audit and Governance Committee could chose not to accept the proposed Audit Plan.

CONCLUSIONS

10. The audit plan sets out the audit work proposed by the External Audit for the audit of the 2014/15 financial statements.

RECOMMENDATION:

That the Audit and Governance Committee consider and agree the audit plan in Appendix B.

REASON FOR RECOMMENDATION:

The Audit and Governance Committee's functions and delegations, as outlined in its constitution and terms of reference states that it should:

- agree the external Audit Plan for the year;
- approve the cost of the audit;
- consider specific reports as agreed with the external audit work and to ensure it gives value for money; and
- comment on the scope and depth of external audit work and to ensure it gives value for money.

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William Benson
Chief Executive

Background Papers

- None

APPENDICES TO REPORT

- Appendix A: Cross Cutting Themes
- Appendix B: Grant Thornton's Audit Plan 2014/15