

Audit and Governance Committee

3 April 2018

Is the final decision on the recommendations in this report to be made at this meeting?

Yes

External Audit Plan

Final Decision-Maker	Audit and Governance Committee
Portfolio Holder(s)	Cllr. David Reilly, Portfolio-holder for Finance and Governance
Lead Director	Lee Colyer, Director of Finance, Policy and Development
Head of Service	Jane Fineman, Head of Finance and Procurement
Lead Officer/Report Author	Lee Colyer, Director of Finance, Policy and Development
Classification	Non-exempt
Wards affected	All

This report makes the following recommendation(s) to the final decision-maker:

1. That the Audit and Governance Committee consider and agree the appended audit plan.

This report relates to the following Five Year Plan Key Objectives:

- A Prosperous Borough
- A Confident Borough

Timetable

Meeting	Date
Management Board	14 March 2018
Discussion with Portfolio Holder	12 March 2018
Audit and Governance Committee	3 April 2018

External Audit Plan

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report outlines the audit work that the external auditor, Grant Thornton, proposes to undertake for the audit of the 2017/18 financial statements and the value for money assessment.
 - 1.2 The report also includes the outcome of the certification work for the Housing Benefit subsidy claim for 2016/17.
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2. INTRODUCTION AND BACKGROUND

- 2.1 Under the 2015 Accounts and Audit Regulations local authorities are required to publish their accounts along with the auditor's opinion by 31 July 2018.
- 2.2 The audit of the financial statements is planned on a risk-based approach and reflects:
 - Audit work specified by the external auditor;
 - Current national risks relevant to local circumstances; and
 - The Council's local risks.
- 2.3 The National Audit Office has issued a document entitled Code of Audit Practice which summaries the responsibilities of the auditor and the audited body.
- 2.4 The audit work will be undertaken in compliance with the statutory requirements governing audit work, in particular:
 - The Local Audit and Accountability Act 2014;
 - International Standard on Auditing (UK & Ireland) 260; and
 - The Code of Audit Practice for Local Authorities.
- 2.5 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 2018.
- 2.6 A copy of the audit plan is attached as Appendix A to this report. The proposed fees are no less than £51,230 (last year's £60,155) for the financial statement and £12,144 for the grant certification.

Results of the 2016/17 Certification Work

- 2.7 Grant Thornton concluded that they are satisfied that the Council has appropriate arrangements in place to compile and complete accurate and timely claims/returns for audit certification. However, they did identify some errors

which resulted in minor agreed amendments to the claim, which are detailed in Appendix B.

3. AVAILABLE OPTIONS

3.1 The Audit and Governance Committee could choose not to accept the proposed audit plan.

4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

4.1 The audit plan sets out the audit work proposed by the external auditors for the audit of the 2017/18 financial statements.

4.2 The Audit and Governance Committee's function and delegations, as outlined in its Constitution and terms of reference, state 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 ensure it gives value for money; and
 - comment on the scope and depth of external audit work to ensure it gives value for money.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 The external auditor has consulted with the Chief Executive and the Director of Finance, Policy and Development. The Audit and Governance Committee is now being asked for their approval.

6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

6.1 This report will be published on the Council's website and the Committee will consider the delivery of the audit plan as part of the audit findings report once the financial statements have been completed.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off (name of officer and date)
Legal including Human Rights Act	The Audit and Governance Committee has a legal obligation for the Council's governance arrangements.	Head of Legal
Finance and other	The areas that are assessed form a significant part of the workload of the Finance Section.	Head of Finance

resources		and Procurement
Staffing establishment	There are no new staffing implications.	Head of HR
Risk management	This is assessed as part of the value for money conclusion.	Head of Audit Partnership
Environment and sustainability	There are no new environmental implications.	Sustainability Manager
Community safety	There are no new community safety implications.	Community Safety Manager
Health and Safety	There are no new health and safety implications.	Health and Safety Advisor
Health and wellbeing	There are no new health and wellbeing implications.	Healthy Lifestyles Co-ordinator
Equalities	There are no new equalities implications.	Corporate Governance Officer

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix A: Grant Thornton’s Audit Plan 2017/18
- Appendix B: Outcome of certification work for 2016/17

9. BACKGROUND PAPERS

None