

AUDIT COMMITTEE

28 MARCH 2019

REPORT OF DEPUTY CHIEF EXECUTIVE

A.3 EXTERNAL AUDITOR'S AUDIT PLANNING REPORT FOR THE YEAR ENDED 31 MARCH 2019

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present for consideration and agreement the External Auditor's Audit Planning Report for the year ended 31 March 2019.

EXECUTIVE SUMMARY

The newly appointed External Auditor's Audit Plan for the year ending 31 March 2019 is attached, which sets out their planned audit work in respect of informing their opinion on the 2018/19 Financial Statements and the Council's use of resources.

As set out in their report, the plan forms a key part of their communication strategy with the Council which has been designed to promote effective two way communication throughout the audit process with those charged with governance.

The plan is set against a risk based approach to provide a focus on areas of the financial statements where the risk of material misstatement is higher or where there is a risk that the organisation has not made proper arrangements for securing value for money in its use of resources.

RECOMMENDATIONS

That the Audit Committee considers and agrees the External Auditor's Audit Planning Report for the year ended 31 March 2019.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

Delivery against priorities, service improvement and governance arrangements are improved through external challenge such as from external audit inspections and reviews.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

Page 23 of the attached sets out a breakdown of fees. The planned fee totals **£54,705** (including certification of claims and returns) which can be met from within existing budgets.

No allowance is made within the overall fee for additional work that may be required such as that associated with additional requirements placed on the Council or unforeseen

circumstances, which would be the subject of further reports where necessary.

Risk

Not supporting and responding practically and timely to External Audit activity may have an impact on the delivery of the Council's priorities, reputation, governance arrangements and overall control environment.

LEGAL

The Council is required to ensure there are adequate internal audit / internal control arrangements in place.

The Accounts and Audit Regulations 2015 introduced a change in statutory deadlines from the 2017/18 financial year. From that year the timetable for the preparation and approval of accounts has been brought forward with draft accounts needing to be prepared by 31 May and the publication of the audited accounts by 31 July.

The PSAA is specified as an appointing person under the provisions of the Local Audit and Accountability Act 2014 and regulation 3 of the Local Audit (Appointing Person) Regulations 2015. For audits of the accounts from 2018/19, the PSAA appoints an auditor to relevant principal local government authorities that have opted into its national scheme. At the meeting of Full Council on 7 February 2017 it was agreed to opt in to the PSAA's national scheme. Appointments are made for the duration of a five-year appointing period. The current appointing period covers the audits of the accounts for 2018/19 to 2022/23.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

There are no direct implications.

PART 3 – SUPPORTING INFORMATION

AUDIT PLAN 2018/19

Shortly after the end of each financial year the Council prepares in accordance with proper practices a Statement of Accounts as statutorily required which is then subject to external audit before final publication. From 2017/18, the publication deadline has been shortened by two months with the date that the accounts must be audited and published being revised to the end of July each year.

The Audit Plan issued by the External Auditor highlights at a summary level, aspects of the work they plan on undertaking and why, including the value for money conclusion. The External Auditor has also highlighted a number of key risks along with their planned audit approach against each item identified.

The outcome of the External Auditor's work will be set out in their Audit Completion Report that will be presented to the Audit Committee at their July 2019 meeting followed by the Annual Audit Letter provided to the Council shortly after.

BACKGROUND PAPERS FOR THE DECISION

None

ATTACHMENTS

The External Auditor's Audit Planning Report for the year ended 31 March 2019
