

AUDIT COMMITTEE

16 MARCH 2017

REPORT OF CORPORATE DIRECTOR (CORPORATE SERVICES)

A.4 EXTERNAL AUDITOR'S AUDIT PLAN 2016/17 (Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present for consideration and agreement the External Auditor's Audit Plan for 2017/18.

EXECUTIVE SUMMARY

The External Auditor's Audit Plan for the year ending 31 March 2017, which is attached, sets out their planned audit work in respect of the 2016/17 Financial Statements and Value for Money conclusion. The plan is developed taking into account a number of factors such as strategic, operational and financial risk which provides a reporting focus on the areas that matter and more likely to be relevant to the Council.

RECOMMENDATIONS

That the Audit Committee considers and agrees the External Auditor's Audit Plan for 2016/17.

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

Appendix A of the attached plan sets out a breakdown of fees. The planned fee totals **£76,183** (including certification of claims and returns) along with a small non-audit fee associated with technical accounting for the Garden Communities project which is being developed.

The current External Audit fee budget totals **£74,840** which is a shortfall of **£1,343** compared with the planned fee. This additional amount reflects the work associated with the development of the Garden Communities scheme and therefore will be met as part of the overall project costs.

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.

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 2016/17**

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 by the end of September.

The Audit Plan issued by the External Auditor highlights at a summary level, aspects of the work they plan on undertaking including the value for money conclusion. Their plan for the 2016/17 financial year is attached.

The plan covers a number of issues ranging from processes and strategy to the assessment of financial statements and value for money risks. All relevant risks identified are being actively managed within the Council as appropriate.

The outcome of the External Auditor's work will be set out in the Audit Results Report that will be presented to the Audit Committee at their September 2017 meeting followed by the Annual Audit Letter provided to the Council shortly after.

It is also worth highlighting that there are a number of key issues that the External Auditor is required to provide to the Audit Committee. These are set out on **Appendix B** of the Attached Audit Plan.

BACKGROUND PAPERS FOR THE DECISION

None

ATTACHMENTS

The External Auditor's Audit Plan 2016/17