

AUDIT COMMITTEE

22 MARCH 2018

REPORT OF CORPORATE DIRECTOR (CORPORATE SERVICES)

A.3 EXTERNAL AUDITOR'S AUDIT PLANNING REPORT FOR THE YEAR ENDED 31 MARCH 2018

(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 2018.

EXECUTIVE SUMMARY

The External Auditor's Audit Plan for the year ending 31 March 2018, which is attached, sets out their planned audit work in respect of informing their opinion on the 2017/18 Financial Statements and the Council's arrangements to secure value for money. 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 Planning Report for the year ended 31 March 2018.

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 **£71,818** (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.

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 2017/18

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 risks that this introduces have been highlighted within the External Auditor's report attached. In response to the risks and impact of this change, the Council is working closely with the External Auditor to meet the new deadline. A useful summary of a number of activities has been set out within the table on page 14 of the attached report from the External Auditor.

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 and associated risks.

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 July 2018 meeting followed by the Annual Audit Letter provided to the Council shortly after.

It is also important to draw to the Committees' attention the information set out in **Appendix C** of the attached that highlights the External Auditor's required communication with the Audit Committee, which will be covered via future reports to the Committee as part of the production of the Statement of Accounts and Annual Governance Statement processes.

BACKGROUND PAPERS FOR THE DECISION

None

ATTACHMENTS

The External Auditor's Audit Planning Report for the year ended 31 March 2018
