

**External Audit Plan 2019/20**

<b>Final Decision-Maker</b>	Audit, Governance and Standards Committee
<b>Lead Head of Service</b>	Mark Green, Director of Finance and Business Improvement
<b>Lead Officer and Report Author</b>	Ellie Dunnet, Head of Finance
<b>Classification</b>	Public
<b>Wards affected</b>	None

**Executive Summary**

This report from the Council's External Auditor, Grant Thornton, sets out the planned approach to delivering the audit of the 2019/20 financial statements and value for money conclusion.

Representatives from Grant Thornton will be in attendance at the meeting to present their report and respond to questions.

**Purpose of Report**

Committee members are asked to note this report.

**This report makes the following recommendations to this Committee:**

1. That the external auditor's audit plan, attached at Appendix 1 be noted.
2. That the revised audit fee for 2019/20 of £46,366 be noted.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Audit, Governance and Standards Committee	16 March 2020

# External Audit Plan 2019/20

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, they will support the Council's ability to discharge its responsibilities in relation to the 2019/20 financial statements audit and value for money conclusion.	Ellie Dunnet, Head of Finance
<b>Cross Cutting Objectives</b>	The recommendations set out above will not have any material impact on the cross cutting objectives.	Ellie Dunnet, Head of Finance
<b>Risk Management</b>	This report is presented for information only and has no decisions which give rise to risk management implications.	Ellie Dunnet, Head of Finance
<b>Financial</b>	Paragraph 4.2 details the proposed increase in scale fee for 2019/20 audit work, from £38,866 to £46,366.	Ellie Dunnet, Head of Finance
<b>Staffing</b>	No implications identified.	Ellie Dunnet, Head of Finance
<b>Legal</b>	The Local Audit and Accountability Act 2014 sets out the framework for auditing of local authority's accounts. It is a function of the Audit, Governance and Standards Committee to comment on the scope and depth of external audit work. Consideration of this report accords with that function.	Keith Trowell, Team Leader, (Corporate Governance), MKLS
<b>Privacy and Data Protection</b>	None identified.	Ellie Dunnet, Head of Finance
<b>Equalities</b>	The recommendations do not propose a change in service therefore will not require an equalities impact assessment.	Ellie Dunnet, Head of Finance
<b>Public Health</b>	No implications identified.	Ellie Dunnet, Head of Finance
<b>Crime and Disorder</b>	No implications identified.	Ellie Dunnet, Head of Finance

<b>Procurement</b>	No implications identified.	Ellie Dunnet, Head of Finance
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## **2. INTRODUCTION AND BACKGROUND**

- 2.1 The external auditor produces an annual audit plan for the financial statements audit opinion and value for money conclusion. As in previous years this work will be undertaken by Grant Thornton, the appointed auditors. A copy of the plan, which includes the outcomes of work undertaken to date, is attached at Appendix 1.
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## **3. AVAILABLE OPTIONS**

- 3.1 As the committee charged with responsibility for overseeing the financial reporting process, the Audit, Governance and Standards Committee is asked to consider and note this report. The committee could choose not to consider this report, however this option is not recommended since the report is intended to assist the committee in discharging its responsibilities in relation to external audit and governance.
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## **4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 The committee is asked to note this report. The report details the external auditor's plan for ensuring the delivery of the audit opinion and value for money conclusion by the statutory deadline and notes the significant risks identified, the results of the work undertaken to date and the anticipated audit fee. It is considered appropriate for the committee to receive this information at this time.
- 4.2 The committee is also asked to note the revised audit fee of £46,366 which represents an increase of 19.3% compared to the original scale fee reported to the committee in July 2019 (£38,866). The fee variation has arisen from changes in legislation, accounting standards and regulatory requirements which increase the amount of work which the audit team are required to undertake. Further details are provided at page 15 of the auditor's report (Appendix 1). Scale fees are set by Public Sector Audit Appointments Ltd., and Grant Thornton are in the process of seeking approval for these variations. In the event that issues are identified as a result of audit work, further fee increases may be incurred by the Council.
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## **5. RISK**

- 5.1 This report is presented for information only and has no decisions which give rise to risk management implications.
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## **6. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

6.1 No consultation has been taken in relation to this report.

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## **7. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

7.1 Next steps are outlined within Appendix 1.

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## **8. REPORT APPENDICES**

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

- Appendix 1: External Audit Plan 2019/20
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## **9. BACKGROUND PAPERS**

None