

 Finance and Audit Scrutiny Committee 2 April 2019		Agenda Item No. 4
Title	2018/19 Audit	
For further information about this report please contact	Mike Snow 01926 456800	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No.	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	External audit papers included as appendices	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	20/3/2019	Andrew Jones
Head of Service	20/3/2019	Mike Snow
CMT	20/3/2019	
Section 151 Officer	20/3/2019	Mike Snow
Monitoring Officer	20/3/2019	Andrew Jones
Portfolio Holder(s)	20/3/2019	Peter Whiting
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?	Yes/No	
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 The External Auditors, Grant Thornton, have prepared their Audit Plan for 2018/19 for members' consideration. This is supported by the "Informing the Risk Assessment" document.
- 1.2 As in recent years, the auditors have commenced work on the audit. Progress on the audit work to date, is also included.

2. **Recommendations**

It is recommended that Finance and Audit Scrutiny Committee:-

- 2.1 Agree the 2018/19 External Audit Plan and the supporting document, Informing the Risk Assessment.
- 2.2 Note the progress on the 2018/19 audit to date.

3. **Reasons for the Recommendation**

- 3.1 The auditors have submitted the External Audit Plan for 2018/19. This is included as Appendix A. Members are required to note the Plan and may wish to seek assurance from officers and auditors that all is being done to ensure the statutory requirement will be met.
- 3.2 Appendix B, Informing the Risk Assessment, has been produced by the external auditors, bringing together details of responses from officers. The document is to assist in the communication between members and the external auditors. Members should consider the document and make any observations to the auditors. Officers responses to the document have been included.
- 3.3 The auditors have been on site for three visits to commence work on the audit. The intention is to undertake as much work as possible ahead of closedown and the compilation of the Statement of Accounts as possible, so as to reduce their audit time in June/July. Progress on the Audit is included as Appendix C.
- 3.4 The vast amount of the documents and supporting information was supplied to the auditors ahead of their interim visits. At the time of writing this report, most of the items shown as outstanding have been submitted, with progress shared with the auditors.
- 3.5 The progress report includes details on progress made against the recommendations from the auditors within the 2017/18 Annual Audit Letter. These recommendations are monitored and reported to members within the regular update report on the Action Plan following Review of Closure of Accounts.

4. **Policy Framework**

4.1 **Fit for the Future (FFF)**

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands

People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
No direct impact.	No direct impact.	No direct impact.
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
No direct impact.	No direct impact.	The work provided by the Council's external auditors should provide members with assurance that the Council's finances are being properly managed and reported upon in accordance with statutory requirements.

4.2 Supporting Strategies

This report indirectly impacts upon all of the Council's strategies on the basis that they all require funding and for that funding to be properly managed. It is part of the role of the external auditors to confirm that the Council's finances are being properly managed.

4.3 Changes to Existing Policies

No changes to existing policies are proposed.

4.3 Impact Assessments

Not applicable.

5. Budgetary Framework

- 5.1 The planned fee charged for the 2018/19 Audit of the Accounts is £41,290. The final fee for 2017/18 was £103,011, as reported to March Finance and Audit Scrutiny Committee. The reduced fee for 2018/19 reflects the re-tendering of the external audit contracts, with new contracts commencing from 2018/19. With the reduced fee, the auditors will be working under tighter constraints. It is imperative that officers take all actions to ensure the efficient and effective closure of accounts and subsequent audit thereof.

6. Risks

The requirement for external auditors is part of the assurance framework under which all local authorities operate. The audit of the accounts and associated grant claims seeks to provide assurance to all stakeholders that the Council's finances, as reported in the Accounts, are being properly managed.

7. Alternative Option(s) considered

- 7.1 None.