

 Finance and Audit Scrutiny Committee 5 April 2016		Agenda Item No. 7
Title	External Audit Reports	
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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		
Background Papers		

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	23/3/2016	
Head of Service	23/3/2016	Mike Snow
CMT	23/3/2016	
Section 151 Officer	23/3/2016	Mike Snow
Monitoring Officer	23/3/2016	Andrew Jones
Finance	23/3/2016	Mike Snow
Portfolio Holder(s)	23/3/2016	Cllr 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 Grant Thornton, the Council's external auditors have recently submitted the following two items for the Committee's consideration:-

- Informing the audit risk assessment for Warwick District Council
- The Audit Plan for Warwick District Council year ended 31 March 2016

2. **Recommendation**

2.1 That the Finance and Audit Scrutiny Committee considers the documents from the external auditors and make any relevant observations.

3. **Reasons for the Recommendation**

3.1 The Audit Plan for the 2015/16 audit is presented. This includes details of the approach to be followed in carrying out the audit, and also some of the key risks that will be considered.

3.5 "Informing the audit risk assessment". In planning and performing the audit of the financial statements the auditors need to understand how the Finance & Audit Scrutiny Committee, as "those charged with governance", supported by the Council's officers, meets its responsibilities in the following areas:-

- fraud
- laws and regulations
- going concern
- accounting for estimates
- related party transactions.

The accompanying external auditor's report summarises the respective responsibilities of the Finance & Audit Scrutiny Committee, officers and external audit in each of these areas, as set out by International Standards on Auditing (UK and Ireland) (ISAs).

4. **Policy Framework**

4.1 By considering the documents, members can see how external audit can assist the Council in its priority of managing the Council's resources effectively and ensuring its services are of a high quality.

5. **Budgetary Framework**

5.1 The fee charged for the Annual Audit of the Accounts, and associated work is £53,623, excluding grant claims with an indicative fee of £9,540 and the Pooled Capital Receipts return at £3,000. The main fee represents an £18,000 reduction from 2014/15. Details of the fees are set out in the Planned Audit Fee letter from Grant Thornton.

6. Risks

- 6.1 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

8. Other Information

- 8.1 The current appointment of Grant Thornton is due to end 2017/18. The auditors will complete all the work on the 2017/18 Accounts and associated documents. New auditors need to be appointed ahead of 2018/19, ideally the end of 2017. There are various Regulations on how these appointments are made. The Local Government Association is endeavouring to take the lead in setting up a framework from where local authorities can make their appointment. In addition the Warwickshire Chief Finance Officers are considering how this appointment should be made, and whether a collaborative appointment will provide best value. This is due to be progressed during 2016/17 as part of the Finance Service Area Plan. The Committee will be updated as plans progress.