

 Finance and Audit Scrutiny Committee 11 February 2020		Agenda Item No. 4
Title	External Audit Progress Report	
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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	31/1/2020	Andrew Jones
Head of Service	31/1/2020	Mike Snow
CMT	31/1/2020	
Section 151 Officer	31/1/2020	Mike Snow
Monitoring Officer	31/1/2020	Andrew Jones
Finance	31/1/2020	Andrew Rollins,
Portfolio Holder(s)		
Consultation & Community Engagement		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. Summary

1.1 The Council's external auditors, Grant Thornton, have provided the attached Progress Report and Sector Update.

2. Recommendations

2.1 It is recommended that Finance and Audit Scrutiny Committee note the contents of the Progress Report and Sector Update.

3. Reasons for the Recommendations

3.1 The auditors completed the audit of the 2018/19 Accounts in July 2019. Work has now commenced on the 2019/20 Audit. Details of the Audit Plan for the 2019/20 Audit is due to be presented to Finance and Audit Scrutiny Committee in March.

3.2 Benefits Subsidy Audit

The auditors have completed the audit of the 2018/19 Housing Benefit Audit, with details included in the attached report. Much testing is undertaken by officers and auditors as part of this audit, considering many samples. It will be noted from the letter:-

- The overall claim is £28m, the amendments totalled £423.
- Some errors were identified that had no overall impact on the level of subsidy being claimed.

3.3 Due to the errors identified, the auditors were required to qualify the claim. As explained to members in previous years, nationally it is the exception for the Benefits Subsidy claim not to be qualified.

3.4 The report also provides updates various issues including:-

- Review into local government audit
- Key development for 2019/20 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	<u>Intended outcomes:</u> Area has well looked after public spaces	<u>Intended outcomes:</u> Dynamic and diverse local economy

met Impressive cultural and sports activities Cohesive and active communities	All communities have access to decent open space Improved air quality Low levels of crime and ASB	Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
Impacts of Proposal		
The Subsidy Benefits seeks to provide assurance that claimants are in receipt of the correct level of benefit.	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 fee charged to the 2018/19 Benefits Subsidy was £14,250, as previously agreed. £2,850 extra has recently been agreed for further work on the 2017/18 benefits audit.
- 5.2 The report details how further additional fees are potentially going to be due in respect of additional work that the auditors are required carry out from the 2019/20 audit. When more details are known, these will be reported to members. For the 2018/19 audit, an additional £4,500 was charged for these matters.

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.