

External Audit Plan Update

Audit & Scrutiny Committee Thursday, 8 July 2021

Report of: Chief Finance Officer (Section 151) – Anna D’Alessandro

Purpose: For decision information

Publication status: Open

Wards affected: All

Executive summary:

This report accompanies the presentation of the External Auditor (Deloitte) and the audit plan for auditing the Council’s Statement of Accounts in 2020/21.

This plan was previously presented to the Audit & Scrutiny Committee held on 30 March 2021. This approach is set out in Appendix A and shows the principal matters that the audit will focus on.

There will be an opportunity at the meeting to ask questions of clarification on this approach and how it has changed since it last came to committee.

This report supports the Council’s priority of: Building a better Council

Contact officer Martin Field – Finance Business Partner
mfield@tandridge.gov.uk

Recommendation to Committee:

That the Committee notes the contents of the audit plan

Reason for recommendation:

Please see slide presentation.

Introduction and background

1. As previously referred to this Committee on 30 March 2021, the Council's independent external auditor, Deloitte, has set out its audit plan for 2020/21 as required by the International Standard on Auditing (UK & Ireland) 260. The provides an opportunity for the external auditor to communicate its plan for auditing the Council's 2018/19 Statement of Accounts to members.
2. The Audit Plan enables Deloitte to: -
 - explain the audit process
 - set out the scope, key responsibilities and approach
 - Highlight any changes to the requirements of the auditor
 - describe significant audit risks and risk assessment process
 - outline the approach to materiality
 - advise of the fee for the 2020/21 audit and the independence of the auditor
 - outline the process for reporting back to the council on their work
 - set out responsibilities in relation to fraud.
 - explain the approach to quality control.
3. The audit of the annual accounts does not relieve management, or those charged with governance, of their responsibilities for the preparation of the accounts. The contents of the Audit Plan have been discussed with management.
4. The purpose of recirculating this report is to allow the new Audit & Scrutiny Committee that was appointed at Annual Council on 27 May 2021 to review the contents to enable a discussion to take place with Deloitte following their presentation to the committee.

Key implications

Comments of the Chief Finance Officer

5. The audit plan includes the proposed audit fee in line with the PSAA (Public Sector Audit Appointment) scale fee. There are no other financial implications

Comments of the Head of Legal Services

6. The Chief Finance Officer has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs. An essential component of sound administration is a sound audit function.
7. The Local Audit and Accountability Act 2014, established a new audit regime. Local Authorities must appoint an auditor which in carrying out its' role must be satisfied that the authority has:

- made proper arrangements for securing economy, efficiency and effectiveness in its use of resources;
 - in its accounts comply with the enactments which apply to them; and
 - observed proper practices in the preparation of the statement of accounts; and that the statement of accounts presents a true and fair view.
8. This is supported by the Code of Audit Practice, which requires auditors to 'consider their knowledge of the local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements'.

Equality

9. This report does not disadvantage or discriminate against any different groups with protected characteristics in the community.

Climate change

10. There are no significant environmental/sustainability implications associated with this report.

Appendices

Appendix 'A' – External Audit 19/20 – Final IAS260 Report and the 2020/2021 Accounts Audit Plan

Background papers

None

----- end of report -----