



2018/19 External Audit Update

AUDIT COMMITTEE MEETING DATE 2019/20 10 April 2019	CLASSIFICATION: Open
WARD(S) AFFECTED All Wards	
Ian Williams, Group Director Finance and Corporate Resources	

1. GROUP DIRECTOR'S INTRODUCTION

- 1.1. This report introduces an update on the progress of the 2018/19 external audit of the Statement of Accounts from Mazars, the Council's external auditors following the issue of the Audit Strategy Memorandum that was considered by the Audit Committee at its January meeting.
- 1.2. The appendix also provides a technical update in respect of recent publications from Mazars, CIPFA and the National Audit Office (NAO) which the auditors believe are relevant to the responsibilities of the Audit Committee.

2. RECOMMENDATION(S)

2.1 The Audit Committee is recommended to:

Consider and note the contents of the attached report from Mazars, the Council's external auditor.

3. REASONS FOR DECISION

- 3.1 The Audit Committee are "those charged with governance" in respect of the Council's annual statement of accounts and other financial matters. As such, they receive regular reports from Mazars, the Council's external auditors, in relation to the accounts and the external audit. This report provides the Committee with an update on the progress of the 2018/19 audit along with a brief on a number of technical documents that have been issued and are pertinent to the audit.

4. BACKGROUND

4.1 Policy Context

The attached report sets out the progress of the audit of the Council's annual Statement of Accounts and the Pension Fund Accounts as required by the relevant legislation and related Accounts and Audit Regulations.

4.2 Equality Impact Assessment

This report does not require an equality impact assessment.

4.3. Sustainability

Not Applicable.

4.4 Consultations

Mazars consulted with relevant senior officers of the Council in the preparation of the Memorandums.

4.5 Risk Assessment

As set out in the Plan, the external auditors have considered the key risks and this has informed the audit approach as set out in the detailed reports from Mazars attached to this report as an Appendix.

4.6 Audit Committee Progress Report April 2019

- 4.6.1 The attached report from Mazars provides the Committee with an update on progress from the external auditor in delivering their responsibilities to the Council, along with a briefing on recent relevant publications.
- 4.6.2 The report sets out progress to date, particularly in respect of the interim audit that was largely completed during February – March 2019.
- 4.6.3 It sets out further consideration of risk areas identified but confirms that to date the expectation is that fees will remain as set out in the fee letter of 25 April 2018. It also confirms that at this stage there are no additional significant risks identified.
- 4.6.4 Representatives from Mazars will attend the Committee meeting to present the attached report and to respond to any questions arising.

5. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 5.1 It is pleasing to note that to date officers of the Council appear to be building good working relationships with the Council's new external audit team from Mazars.
- 5.2 As set out in the attached report, the interim audit was largely completed as scheduled and we continue to discuss any issues identified to ensure that treatment of specific transactions are disclosed in the accounts.
- 5.3 As set out, it is anticipated at this stage that there will be no divergence from the budget for the completion of the audit

6. COMMENTS OF THE DIRECTOR, LEGAL

- 6.1 The Council is required to have its annual statement of accounts audited in line with current legislation and related regulations.
- 6.2 The external auditor's statutory responsibilities are set out in the Local Audit and Accountability Act 2014 and the national Audit Office's Code of Audit Practice. They are required to audit/review and report on the financial statements, providing an opinion and the use of resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness (the VFM conclusion).
- 6.3 The Audit Committee Progress Report accords with the required arrangements

APPENDICES

Appendix 1 - Audit Committee Progress Report – April 2019

BACKGROUND PAPERS

None

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