

<b>Meeting:</b>	<b>Audit and governance committee</b>
<b>Meeting date:</b>	<b>Tuesday 8 May 2018</b>
<b>Title of report:</b>	<b>Update from external auditor</b>
<b>Report by:</b>	<b>Chief Finance Officer</b>

## **Classification**

Open

## **Decision type**

This is not an executive decision

## **Wards affected**

(All Wards);

## **Purpose and summary**

To provide the committee with a progress update of the work being undertaken by the external auditor, Grant Thornton. The progress update also includes a sector update for the committee.

Overall Grant Thornton have made good progress against their audit plan however, there are some matters that remaining outstanding for conclusion during the final audit visit and an action plan has been drafted to ensure these matters are resolved.

## **Recommendation(s)**

That:

- (a) the progress report and sector update attached at appendix 1 be reviewed and the committee determine any recommendations it wishes to make to ensure the value of the audit work is maximised.**

## **Alternative options**

1. There are no alternative recommendations. The report provides a factual update on progress against the agreed external audit annual plan, together with briefings on a range of matters of local government interest.

## Key considerations

2. The external auditor's report at appendix 1 provides a progress report the 2017/18 annual external audit plan. It also includes wider sector issues for consideration by the committee.
3. Overall Grant Thornton have made good progress against their audit plan and of the work concluded no items have been identified that require highlighting to the committee.
4. There are some matters that remaining outstanding for conclusion during the final audit visit and an action plan is included in appendix 1 to ensure these matters are resolved. The council can confirm that these matters are considered to be able to be concluded within the stated timeframe.

## Community impact

5. One of the principles in the council's code of corporate governance is to implement good practices in transparency, reporting, and audit to deliver effective accountability. To support effective accountability the council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner. External audit contributes to effective accountability.

## Equality duty

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
6. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

## Resource implications

7. The update has no direct resource implications however the consideration of sector wide issues may lead to further work streams being identified.

8. As approved by the committee in May 2017 the 2017/18 annual audit fee totals £124k.

## **Legal implications**

9. The update has no direct legal implications.

## **Risk management**

10. The potential risks of being unaware of the update include not producing compliant statement of accounts; this is being mitigated by ensuring the corporate finance team maintain up to date financial knowledge and awareness and maintain open dialogue with the council's external auditors with whom there is an established, defined and detailed working paper requirements being complied for the next audit visit.
11. The attached action plan details how the risks identified will be addressed.

## **Consultees**

12. None

## **Appendices**

Appendix 1 – Progress Update from Grant Thornton 31 March 2018

## **Background papers**

None