

Meeting:	Audit and governance committee
Meeting date:	Wednesday 29 November 2017
Title of report:	External audit progress report
Report by:	Chief finance officer

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

For the committee to review the external auditor's progress report and update attached at Appendix 1.

Recommendation(s)

That:

- (a) the progress report and update attached at appendix 1 is 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 on actions to complete the 2016/17 annual audit plan and the timetable planned to undertake the 2017/18 annual audit plan. It includes a briefing on changes that will need to be reflected in the statement of accounts and wider sector issues for consideration by the committee.
3. The annual opinion in respect of the 2016/17 external audit identified a number of improvement areas in relation to preparedness for and responsiveness to the external audit. In preparing for the 2017/18 audit council officers are working with the external audit team to establish a more clearly defined and detailed operational work plan, including roles and responsibilities of both parties to ensure the identified risks are effectively mitigated, an update will be shared in the new year.

Community impact

4. 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

5. 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 the 2017/18 annual audit fee totals £124k. The external auditors are also required to certify the housing benefit grant, the associated fee for this work is expected to total £6k.

Legal implications

9. There are no legal implication arising from this report.

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 will be an established, defined and detailed operational work plan.

Consultees

11. None

Appendices

Appendix 1 External audit progress report and update

Background papers

None identified.