

Report to: **Cabinet**

Date: **23 April 2019**

By: **Chief Operating Officer**

Title of report: **External Audit Plan 2018/19**

Purpose of report: **To inform the Cabinet of the content of the Council's External Audit Plan for 2018/19**

RECOMMENDATION

Cabinet is recommended to approve the External Audit Plan for 2018/19.

1. Background

1.1 Grant Thornton were appointed as the Council's external auditors for a five year period from 2018/19 to 2022/23.

1.2 The External Audit Plan provides an overview of the planned scope and timing of the statutory audit of the Council's accounts and identifies any significant risks. The auditors must form and express an opinion on the Council's financial statements. The plan also outlines the work the auditor will undertake as part of the assessment of whether the Council has proper arrangements in place to secure value for money (VFM).

2. Supporting Information

2018/19 Financial Statements

2.1 The External Audit Plan for 2018/19 (Appendix 1) identifies four significant risks that require audit consideration as they could potentially cause a material error in the financial statements. These are:

- Fraud in revenue recognition (this presumed risk has been rebutted);
- Management override of controls (journals, estimates and transactions);
- Valuation of property, plant & equipment;
- Valuation of the Pension Fund net liability.

2.2 The VFM significant risks identified are:

- The Council's financial sustainability;
- Working in partnership with the National Health Service.

2.3 The unaudited draft financial statements have to be prepared by 31 May 2019. The audit will be conducted during June and early July. The audited statements have to be approved by committee before 31 July 2019.

2.4 The planned audit fee for 2018/19 is £64,350 which is a reduction of £6,802 on the previous year. The fee is based on the assumption that the scope of the audit, and the Authority and its activities, do not significantly change.

3. Conclusion and reasons for recommendations

3.1 The External Audit Plan provides an overview of the planned scope and timing of the statutory audit of the Council's 2018/19 accounts and identifies any significant risks. The Plan was considered by the Audit Committee at its meeting on 25 March 2019.

3.2 Cabinet is recommended to approve the External Audit Plan for 2018/19.

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Local Member(s): All
Background Documents
None