

SUBJECT: EXTERNAL AUDIT PROGRESS REPORT

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To present the External Audit Progress Report to Audit Committee.

2. Executive Summary

- 2.1 This report provides Audit Committee with an update on progress in delivering responsibilities of the External Auditors.

3. Background

- 3.1 The External Auditor provides periodic update reports to the Audit Committee. Mazars are currently appointed as the Council's External Auditor.

4. External Audit Progress Report

- 4.1 The External Audit progress report attached (Appendix A) covers the following areas:
- audit planning update and progress report: and
 - a summary of recent relevant reports and publications for information.
- 4.2 External Audit will be in attendance at the meeting to present the progress report.

5. Strategic Priorities

- 5.1 There are no direct implications for the Council's strategic priorities. The external audit of the Council's financial statements and VFM conclusion is a statutory requirement and as such contributes towards the fitness for purpose of the Council's governance arrangements.

6. Organisational Impacts

- 6.1 Finance (including whole life costs where applicable)

The Audit fee for 2021/22 is £36,332, set in accordance with the scale fees set by the PSAA. The fee includes work on the VFM conclusion and the audit of the financial statements. In addition, additional fees of £25,666 have been charged in relation to the Council's status as an EU Public Interest Entity, additional work required on property valuations and the net pension liability valuation, additional testing as a result of new auditing standards, additional working arising from changes in the Code of Audit Practice for VFM reporting and additional testing as a result of Covid19 grant income. These additional fees have been determined in

accordance with 17(2) of the Local Audit (Appointing Persons) Regulations and will be considered by the PSAA. The PSAA's work includes looking in detail at the fee variation categories submitted to ensure these reflect the areas of work covered. This brings the total audit fee to £61,992 for 2021/22.

The Audit fee for 2022/23 is £48,403, set in accordance with the scale fees set by the PSAA. The fee includes work on the VFM conclusion and the audit of the financial statements, in addition the work undertaken on property valuations and the net pension liability valuation is now included in the scale fee rather than being issued as a fee variation. Variations are still likely to be incurred for additional testing as a result of new auditing standards and additional working arising from changes in the Code of Audit Practice for VFM reporting, these fee variations will now be confirmed until later in 2023. The overall audit fee is likely to be in region of the 2021/22 fee.

6.2 Legal Implications including Procurement Rules

There are no direct legal implications. The External Auditor is required to satisfy themselves that the Council's accounts comply with statutory requirements and that proper practices have been observed in compiling them.

6.3 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

There are no specific equality, diversity and human rights issues arising as result of this report.

7. Risk Implications

7.1 There are no specific risk implications arising as a direct result of this report. The annual Audit Strategy Memorandum sets out the key risks, as identified by the External Auditor, relevant to the audit of the financial statements.

8. Recommendation

8.1 Audit Committee is asked to note the content of the latest External Audit Progress Report.

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? One

List of Background Papers: None

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