

SUBJECT: EXTERNAL AUDIT: DRAFT AUDIT PLAN & STRATEGY

DIRECTORATE: CHIEF EXECUTIVE AND TOWN CLERK

REPORT AUTHOR: JACLYN GIBSON, CHIEF FINANCE OFFICER

1. Purpose of Report

- 1.1 To present the External Audit Draft Audit Plan and Strategy, for the year ending 31 March 2024, to Audit Committee.

2. Background

- 2.1 The External Auditor provides an Audit Plan and Strategy ahead of each external audit along with periodic update reports to the Audit Committee. KPMG are currently appointed as the Council's External Auditor.

3. External Audit Progress Report

- 3.1 The External Audit Draft Audit Plan and Strategy for 2023/24 (Appendix A) summarises the planned audit approach, highlights significant audit risks, sets out the approach to forming the value for money conclusion and provides the Audit Committee with details of the audit team.
- 3.2 The Audit Plan and Strategy will remain as draft until work has completed on the transfer between External Auditors (from Mazars to KPMG) and while a number of consultations in the audit sector remain audit, including:
- consultations by the NAO and DLUHC regarding addressing the audit backlog.
 - consultation by CIPFA on short-term measures to aid the recovery of local authority reporting and audit.

An updated Plan will be presented to the next meeting of this Committee.

- 3.3 External Audit will be in attendance at the meeting to present the progress report.

4. Strategic Priorities

- 4.1 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.

5. Organisational Impacts

- 5.1 Finance (including whole life costs where applicable)

The Audit fee for 2023/24 is £139,722, 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. Variations are still likely to be incurred for new requirements of ISA315 (risk of material misstatement) or ISA240 (auditors responsibilities relating to fraud). The fees also assume no significant risks are identified as part of the VFM risk assessment. Additional fees in relation to these areas will be subject to the fee variation process as outlined by the PSAA.

5.2 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.

5.3 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.

6. Risk Implications

- 6.1 There are no specific risk implications arising as a direct result of this report. The I Audit Plan and Strategy sets out the key risks, as identified by the External Auditor, relevant to the audit of the financial statements and VFM conclusion.

7. Recommendation

- 7.1 Audit Committee are asked to note the content of the Draft Audit Plan and Strategy.

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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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