

PLYMOUTH CITY COUNCIL

Subject: Draft External Audit Plan 18/19
Committee: Audit & Governance
Date: 13th February 2019
Cabinet Member: Councillor Lowry
CMT Member: Andrew Hardingham, Service Director for Finance
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Ref: Fin/CH
Key Decision: No
Part: 1

Purpose of the report:

To receive the Letter to Management, External Audit Plan and Progress Report from the external auditors Grant Thornton UK (GTUK). This sets out the auditor's responsibilities and the proposed audit approach and scope for the 2018/19 audit.

Corporate Plan

The audit plan will assess fundamental aspects of financial standing and performance management in PCC that relate to the key theme of 'value for money' relating to the Council's corporate priorities.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The external audit plan sets out the engagement timetable and framework for the assessment of the Council's financial reporting, management and standing, as well as value for money. The fee for the audit of £105,393 (PY: £136,874) will be paid out of Corporate Fees within Non Distributed Costs and is included in the budget.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

The audit plan for the year ended 31 March 2019 highlights the Council's statutory responsibility in respect of producing the financial statements. Without appropriate closedown processes in place and references to local government financial reporting policies there is a risk that statutory deadlines may be missed or accounting policies misinterpreted without the necessary reference to the external auditor's views or concerns. The consequence of this could result in a qualified audit opinion on the financial statements or a qualified value for money opinion.

Equality and Diversity

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Has an Equality Impact Assessment been undertaken? No

Recommendations and Reasons for recommended action:

The Committee is asked to consider the Audit Plan and the Progress Report from the external auditors. This is to ensure that the Audit Committee are aware of the external audit scope and objectives, overall audit strategy, key audit risks and the proposed audit fees for 2018/19.

The Committee is asked to note the contents of the Letter to Management and the deadline for a coordinated response from the Chair of the Audit and Governance Committee and management which is to be provided by the 30th April 2019.

This report forms part of the independent external audit review process. The Audit Committee's role requires it to receive regular reports from the external auditors on the progress of their work at PCC. Members are also asked to discuss the Audit Plan to identify whether there are any other matters that they wish to be considered as part of the audit.

Alternative options considered and rejected:

N/A

Published work / information:

The letter to management sets out the need for GTUK to ensure that the Council has processes in place to prevent and detect fraud and to ensure compliance with law and regulation.

The Audit Plan summarises the initial assessment of the key risks driving the development of the effective audit for the Council and outlines the planned audit strategy in response to those risks.

The External Audit Progress Report March 2019 provides details of the progress GTUK have made in delivering their responsibilities as external auditors as well as a summary of emerging national issues which the committee may wish to consider.

Background papers:

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7

Sign off:

Fin	djn.18.1 9.234	Leg	Lt/3218 4/2802	Mon Off	Lt/32184/2 802	HR		Assets		IT		Strat Proc	
Originating SMT Member Andrew Hardingham, Service Director for Finance													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

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