



Report to: Audit and Governance Committee, 20th March 2019

Report of: Head of Finance

Subject: EXTERNAL AUDIT PLAN – 2018/19

1. Recommendation

1.1 That the Committee endorses the external auditor's Audit Plan for 2018/19.

2. Background

- 2.1 Ernst Young, our independent external auditors have submitted the attached Audit Plan report (**Appendix 1**) which outlines their proposed approach to planning and delivering their audit and the fees for the 2018/19 financial year.
- 2.2 One of the key objectives of the Audit Plan is for Ernst Young to obtain reasonable assurance that the financial statements as a whole are free from material misstatement and prepared in all material respects within the CIPFA Code of Practice framework.

3. Information

- 3.1 The Audit Plan has no significant changes from last year and does not identify any specific risks relating to the City Council. The report details the following:
- 3.1.1 The financial statements audit approach and the impact of any changes in national audit requirements
- 3.1.2 The audit approach to delivering the Value for Money conclusion
- 3.1.3 The key dates for the 2018/19 audit cycle. The statutory deadline for issuing the annual Statement of Accounts is 31st July. The City Council achieved this last year and has robust plans in place to ensure the same for this year.
- 3.2 The audit fee for 2018/19 is £39,362 plus a further fee of £9,250 for certification of the Housing Benefit subsidy. These fees are a reduction from the previous year and are in line with the approved budget. Additional fees may be payable if further unplanned audit work is required.
- 3.3 It is the Council's policy to comply with all codes of practice and financial reporting standards relating to the production and publication of the Statement of Accounts. The Council's Finance Team will work with the external auditors to ensure that the audit delivery is successful by adhering to the proposed timescales, meeting the audit working paper requirements and by being available during the audit process to deal with query resolution.

3.4 The Council's Constitution defines the purpose of the Audit Committee (AC) and its remit. A key part of the AC's purpose is to provide independent assurance to our members of the adequacy of the risk management framework and the internal control environment. To do this, part of the AC's role is to oversee the work of internal audit and our independent external auditors, to ensure that efficient and effective assurance arrangements are in place. This includes agreeing the external auditor's Audit Plan on an annual basis.

Ward(s): All
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Background Papers: None