

8. EXTERNAL AUDIT - 2016/17 AUDIT PLAN (A1362/AGM)

Purpose of the report and key issues

1. This report asks Members to consider the 2016/17 External Audit Plan from our external auditors, KPMG. John Cornett, Director at KPMG will be at Committee to present the Plan and to answer any questions.

Key Issues:

- The external auditor presents the plan for auditing the financial statements and value for money arrangements at this time every year
- Achieving unqualified opinions from the external auditor is a corporate performance indicator

Recommendation

2. **That the 2016/17 External Audit Plan be considered and acknowledged.**

How does this contribute to our policies and legal obligations?

3. The work of the external auditors is a key part of our governance arrangements and helps us to monitor and improve performance against our corporate strategy cornerstone of 'developing our organisation so we have a planned and sustained approach to performance at all levels' (cornerstone: our organisation). Achieving unqualified opinions from the external auditor is a corporate performance indicator.

Background

4. The statutory responsibilities and powers of auditors appointed by Public Sector Audit Appointments Ltd (PSAA) are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice. Considering the external auditor's audit plan is part of the normal Audit, Resources and Performance Committee work programme.

Proposals

5. The External Audit Plan for 2016/17 is given at Appendix 1. The plan is based on a risk based approach to audit planning and outlines the work proposed, and the planned outputs, by the external auditor for the audit of financial statements and the value for money conclusion for 2016/17.

Are there any corporate implications members should be concerned about?

6. **Financial:**
The planned fees for external audit of £13,259 are funded from the existing Finance Services budget.
7. **Risk Management:**
The scrutiny and advice provided by external audit is part of our governance framework. The auditor's work is based on an assessment of audit risk as explained in Appendix 1.
8. **Sustainability:** There are no issues to highlight.
9. **Background papers** (not previously published) – None

Appendices

Appendix 1: External Audit Plan 2016/17

Report Author, Job Title and Publication Date

Andrea McCaskie, Acting Director of Corporate Strategy and Development, 23 February 2017.