

## **6. EXTERNAL AUDIT - 2018/19 AUDIT STRATEGY (A1362/DH)**

### **Purpose of the report and key issues**

1. This report asks Members to consider the 2018/19 External Audit Strategy Memorandum from our external auditors, Mazars. John Pressley, Audit Manager at Mazars will be at Committee to present the Plan and to answer any questions.

#### Key Issues:

- The external auditor presents the strategy 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

### **Recommendations**

2. **1. That the 2018/19 External Audit Strategy Memorandum 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 Strategy Memorandum for 2018/19 is given at Appendix 1. The strategy outlines the scope of the work proposed and the auditor's assessment of audit risks and key judgement areas for the audit of financial statements and the value for money conclusion for 2018/19.

6. **Financial:**

The planned fees for external audit of £10,209 are funded from the existing Finance 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 2018/19

**Report Author, Job Title and Publication Date**

David Hickman, Director of Corporate Strategy and Development, 21 February 2019