

## AUDIT AND RISK COMMITTEE

26 April 2016

### EXTERNAL AUDIT PLAN

Report of the Director for Resources

Strategic Aim:	All		
Exempt Information	No		
Cabinet Member(s) Responsible:	Councillor Terry King, Leader and Portfolio Holder for Corporate Finance		
Contact Officer(s):	Debbie Mogg, Director for Resources	Tel: 01572 758358 dmogg@rutland.gov.uk	
	Saverio Della Rocca, Assistant Director - Finance	Tel: 01572 758159 sdrocca@rutland.gov.uk	
Ward Councillors	N/A		

#### DECISION RECOMMENDATIONS

That the Committee notes the audit plan from the external auditors, KPMG LLP

#### 1 PURPOSE OF THE REPORT

- 1.1 To ensure that the Committee is aware of and understands the approach to the external audit of the Statement of Accounts for 2015/16.

#### 2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 Each year the External Audit produces and agrees with the Council an Audit Plan setting out its approach to the audit of:
- The Council's Statement of Accounts
  - Whole of Government Accounts return
  - Value for Money
- 2.2 The plan for the 2015/16 audit is attached at Appendix A to this report. There are three key issues worth noting:

- The plan has been updated following planning work by the external auditors. There are no major risk issues identified by the auditors in their work to date which suggests that additional work will be needed;
- The fee has reduced from £87,308 to £65,481. This is a reduction of £21,827 (25%); and
- An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. Materiality for planning purposes has been set at £0.7m, which equates to a little over 1% of the previous year's gross expenditure. For specific accounts (i.e. debtors or creditors) the level is set at £0.5m. Any misstatement above this level would therefore need to be corrected. Below this level the s151 Officer will determine the approach and seek approval from the Committee. All misstatement in excess of £35k will be reported to Committee.

### **3 CONSULTATION**

3.1 No formal consultation is required.

### **4 ALTERNATIVE OPTIONS**

4.1 The Committee is asked to note the report. There are no alternatives.

### **5 FINANCIAL IMPLICATIONS**

5.1 There are no financial implications arising from this report.

### **6 LEGAL AND GOVERNANCE CONSIDERATIONS**

6.1 The Audit and Risk Committee is responsible for receiving the reports of external audit, acting on any relevant matters and approving the Statement of Accounts.

### **7 EQUALITY IMPACT ASSESSMENT**

7.1 An Equality Impact Assessment (EqIA) has not been completed for the following as this report does not impact on Council policies and procedures.

### **8 COMMUNITY SAFETY IMPLICATIONS**

8.1 There are no community safety implications.

### **9 HEALTH AND WELLBEING IMPLICATIONS**

9.1 There are no health and wellbeing implications.

### **10 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

10.1 It is important that the Committee understand the approach of external audit to the audit of the Statement of Accounts.

### **11 BACKGROUND PAPERS**

11.1 There are no additional background papers to the report.

**12 APPENDICES**

Appendix 1 – External Audit plan

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577.