

EXTERNAL AUDIT PLAN FOR 2017/18

Report of the:	Chief Finance Officer
Contact:	Lee Duffy, Brendan Bradley
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
Annexes/Appendices (attached):	Annexe 1 - The Audit Plan Year Ended 31 March 2018
Other available papers (not attached):	

Report summary

This report sets out the approach being taken by the Council's external auditors, Grant Thornton, to the audit of the accounts for 2017/18.

Recommendation (s)

(1) That the Committee endorses the External Audit Plan

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

1.1 This report supports the Council's Key Priority Managing Resources.

2 Background

2.1 Grant Thornton are the Council's current independent external auditors, appointed by the Audit Commission.

2.2 The Council's wholly-owned subsidiary, Epsom & Ewell Property Investment Company, has a separate external auditor; Epsom-based firm, Williams & C, who were appointed following a competitive tendering process.

2.3 The Council's 2017/18 Statement of Accounts will incorporate, for the first time, disclosures that show the combined financial position of the Council and Epsom & Ewell Property Investment Company. These disclosures are known as group accounts.

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- 2.4 As part of their Statement of Accounts audit, Grant Thornton will perform sufficient work to gain assurance that the group accounts are materially accurate.
- 2.5 Grant Thornton have prepared an audit plan for the 2017/18 accounts as shown in **Annexe 1**.

3 Proposals

- 3.1 Officers are satisfied that the Audit Plan addresses the key financial and governance issues.
- 3.2 The Committee is asked to endorse the External Audit Plan.

4 Financial and Manpower Implications

- 4.1 Grant Thornton's audit fees are provisionally estimated at £44,708 (excluding VAT) for the main audit and £8,976 for the housing benefit subsidy certification, as set out in the Audit Plan. Grant Thornton expect to discuss and agree a small additional fee with the Chief Finance Officer to cover work relating to the group accounts, prior to the start of the audit.
- 4.2 The Finance Team has plans in place to ensure that the Council's accounts are closed within the statutory deadlines, which are 31st May for unaudited accounts and 31st July for audited accounts.
- 4.3 The Finance Team will have regular contact with Grant Thornton during the process.
- 4.4 **Chief Finance Officer's comments:** The annual audit plan sets out the key stages for the audit process for the 2017/18 accounts. The Council has budgeted for the audit fee and has a plan in place to achieve its financial year end and closing of accounts deadlines.

5 Legal Implications (including implications for matters relating to equality)

- 5.1 Grant Thornton has confirmed that the Audit Plan has been prepared in line with the Local Audit and Accountability Act 2014 and in accordance with the latest Code of Practice issued by the National Audit Office.
- 5.2 **Monitoring Officer's comments:** There are no legal implications arising directly from this report. External Audit reports certification and opinions, form a key part of the Council's governance arrangements.

6 Sustainability Policy and Community Safety Implications

- 6.1 There are no implications for the purpose of this report.

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7 Partnerships

7.1 There are no implications for the purpose of this report.

8 Risk Assessment

8.1 The audit of the Council's financial statements comprise a key element of the Council's governance arrangements.

9 Conclusion and Recommendations

9.1 The Committee is asked to endorse the Audit Plan.

Ward(s) Affected: All