

FAREHAM

BOROUGH COUNCIL

Report to Audit and Governance Committee

Date: 19 October 2020

Report of: Deputy Chief Executive Officer

Subject: EXTERNAL AUDITORS ANNUAL PLAN & FEE

SUMMARY

This report brings to members' attention the proposed Audit Plan from the Council's external auditors, Ernst & Young. The plan provides the Committee with a basis to review the proposed audit approach and scope of work for the 2019/20 audit (carried out in 2020/21) and to ensure that the work is in line with members' expectations.

Appendix A is the original plan report which had been drafted for the March 2020 Audit and Governance Committee which was cancelled.

Appendix B is an update to that plan taking into consideration the changes to the risk environment created by the pandemic.

Appendix A also brings to members' attention the Planned Fee for the 2019/20 audit work, as set out on p33 of Appendix A. This currently reflects the tender sums submitted as part of the procurement organised by Public Sector Audit Appointments (PSAA) in 2017/18. However, the external auditors are currently in negotiation with PSAA to approve an increase in the scale fee, to reflect extra work they are being expected to do.

The Audit and Governance Committee's areas of responsibility for External Audit are: -

- a) To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by Public Sector Audit Appointments (PSAA).*
- b) to comment on the scope and depth of external audit work and to ensure it gives value for money.*
- c) to consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.*
- d) to advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.*

RECOMMENDATION

It is recommended that the Committee approves the 2019/20 Audit Plan and its update, attached as Appendices A and B to this report.

Appendices:

Appendix A – Audit Planning Report for the year ending 31 March 2020 - as at February 2020

Appendix B – Audit Planning Report Update for the year ending 31 March 2020 – as at June 2020

Background Papers: None

Reference Papers: Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd.

Enquiries: For further information on this report please contact Elaine Hammell. (Ext 4344)