

## **Financial Statements Audit Plan for 2015/16**

Portfolio:	Finance
Ward(s) Affected:	All

### **Purpose**

**To inform members on external audit's plan for the audit of the 2015/16 financial statements**

### **Background**

1. Each year the Council is required to have its financial statements audited by an external auditor.
2. The auditor's statutory responsibilities and powers are set out in Local audit and Accountability Act 2014 and the National Audit Office's Code of audit Practice. The auditors responsibilities in respect of the 2015/16 financial year require them to review/audit and report on:
  - a. The Financial statements including the annual governance statement and to provide and opinion on the statements
  - b. Use of resources meaning concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources – commonly known as the “value for money” conclusion
3. The Auditor has identified two key audit risks. The first is in relation to the valuation of land and buildings due to the materiality of the figure and the second is in relation to borrowings which are a new area this year.
4. The auditors are planning to do their work during July to enable them to report to members in September.

### **Key Issues and Resource Implications**

5. The Plan set out in Annex A, outlines how External audit intend to conduct their audit, the areas of risk, the staff resources involved together with the proposed fee. The fee for this year is shown on page 19 of Annex A and has been set at £55,857. In addition the Council is charged for the certification of grant claims as required by the DWP.
6. The fee quoted is only indicative and may change if additional work is required.
7. The audit team is lead again by Mr Neil Hewitson who is the KPMG Director in charge of the audit and looks after several Councils across Surrey. He is assisted by Mr Satindar Jas and Ms Tanny Datta.

### **Recommendation**

8. The Committee is asked to receive and comment on the proposed plan as appropriate.

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