

AUDIT COMMITTEE
21 MARCH 2017
ANNUAL EXTERNAL AUDIT PLAN

Report from: Phil Watts, Chief Finance Officer

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Summary

This report presents BDO's plan for the audit of the accounts for the financial year 2016/17 (Appendix 1).

1. Budget and Policy Framework

1.1 International Standards on Auditing require the audit plan to be communicated to 'those charged with governance.' The terms of reference of this committee include: discussions with the external auditor on new accounting standards, changes to the reporting framework and the basis of the annual audit, including the content of performance work.

2. Background

2.1 In accordance with the International Standards on Auditing it is necessary to communicate the annual audit plan for 2016/17.

2.2 The purpose of the audit plan is to highlight and explain key issues the auditors consider relevant to the audit of the Statement of Accounts and use of resources of the Council for the year ending 31 March 2017.

2.3 The overall scope of the work to be carried out is determined by the National Audit Office (NAO) Code of Audit Practice, International Standards on Auditing (UK and Ireland), and other guidance issued by the NAO. Appendix 1 sets out details of the key reports, opinions and conclusions that will be provided by BDO. Principal objectives will include

- their opinion on the financial statements
- a report on the Whole of Government Accounts return
- an opinion on the arrangements for securing economy, efficiency and effectiveness in the use of resource.

2.4 The Audit Plan for the year ending 31 March 2017 is attached as Appendix 1 of this report. Page 14 of the Plan details proposed fees for core audit and certification amounting to £159,039 along with non- audit services fees of £7,400.

3. Legal and finance implications

3.1 There are no legal implications.

3.2 The financial implications are set out in paragraph 2.4.

4. Recommendation

4.1 That the Audit Committee notes and accepts the proposed annual Audit Plan for 2016/17.

Lead officer contact

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Appendices

Appendix 1 – Medway Council Audit Plan to the Audit Committee – Audit for the year ending 31 March 2017

Background papers

None