

AUDIT AND GOVERNANCE COMMITTEE



Report subject	External Auditor - 2021/22 Audit plan
Meeting date	27 October 2022
Status	Public Report
Executive summary	<p>The attached report at Appendix A sets out the work that the Council's External Auditor, Grant Thornton, plan to undertake for the audit of the Council's Statement of Accounts in respect of 2021/22.</p> <p>The External Auditor plans to give an opinion on whether the accounts give a true and fair view and whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p> <p>As part of risk assessment procedures Grant Thornton are required to obtain an understanding of management processes and the Audit and Governance Committee's oversight of the following areas: General Enquiries of Management, Fraud, Laws and Regulations, Related Parties, Going Concern, and Accounting Estimates. A series of questions on each of these areas and the response we have received from BCP Council's management is included at Appendix B for Audit and Governance Committee to consider.</p> <p>Also attached to this report, at Appendix C, is a letter from Grant Thornton explaining that due to their 2020/21 VFM Auditors Annual report only being finalised this month, they are proposing to delay the commencement of their 2021/22 VFM review until early 2023.</p>
Recommendations	<p>It is RECOMMENDED that Audit & Governance Committee:</p> <ul style="list-style-type: none"> • notes the Grant Thornton External Audit Plan 2021/2022 for the Council. • consider whether the management responses in Appendix B in the are consistent with its understanding and whether there are any further comments it wishes to make.
Reason for recommendations	To advise the Audit & Governance Committee of the External Audit annual plan for the Council for the audit of the 2021/22 Statement of Accounts.
Portfolio Holder(s):	Cllr Drew Mellor, Leader of the Council
Corporate Director	Graham Farrant, Chief Executive

Report Author	Nigel Stannard Head of Audit & Management Assurance ☎01202 128784 ✉nigel.stannard@bcpcouncil.gov.uk
Wards	Council-wide
Classification	For Information

Background

1. During 2017, Public Sector Audit Appointments (PSAA) awarded contracts for audit appointments for a five-year period beginning on 1 April 2018. This year is the fourth year of that contract, Grant Thornton are the appointed External Auditors for Bournemouth, Christchurch and Poole Council.
2. The External Auditor performs the audit of the financial statements in line with the Code of Practice issued by the National Audit Office (NAO) and International Standards on Auditing (UK).
3. The External Auditor gives an opinion on whether the accounts give a true and fair view and whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

External Auditor – Audit Plan 2021/22

4. The attached report at Appendix A (BCP Audit Plan) sets out the planned scope and timing of the statutory audit of the Council's Statement of Accounts, in respect of 2021/22, for those charged with governance.
5. The contents of the report include:
 - Financial Reporting Council's Annual Report
 - Key Matters
 - Introduction & Headlines
 - Group audit scope and risk assessment
 - Significant risks identified
 - Accounting estimates & related disclosures
 - Other matters
 - Materiality
 - IT Audit Strategy
 - Value for Money arrangements
 - Risks of significant VFM weaknesses
 - Audit logistics and team
 - Audit Fees
 - Independence and non-audit fees
 - Digital Audit

6. As part of risk assessment procedures Grant Thornton are required to obtain an understanding of management processes and the Audit and Governance Committee's oversight of the following areas: General Enquiries of Management, Fraud, Laws and Regulations, Related Parties, Going Concern, and Accounting Estimates.
7. A series of questions on each of these areas and the response we have received from BCP Council's management is included at Appendix B. The Audit and Governance Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.
8. Also attached to this report, at Appendix C, is a letter from Grant Thornton explaining that due to their 2020/21 VFM Auditors Annual report only being finalised this month, they are proposing to delay the commencement of their 2021/22 VFM review until early 2023. Further detail is contained within the letter.

Options Appraisal

9. An options appraisal is not applicable for this report.

Summary of financial implications

10. The fee for the External Audit programme of work is set out in the attached Appendix A. The proposed 2021/22 fee is £213,875 for the BCP Council.

Summary of legal implications

11. There are no direct legal implications from this report.

Summary of human resources implications

12. There are no direct human resource implications from this report

Summary of sustainability impact

13. There are no direct sustainability impact implications from this report

Summary of public health implications

14. There are no direct public health implications from this report.

Summary of equality implications

15. There are no direct equalities implications from this report.

Summary of risk assessment

16. There are no direct risk implications from this report.

Background papers

None

Appendices

Appendix A - Grant Thornton – BCP Audit Plan Year Ending 31 March 2022

Appendix B – Grant Thornton – Informing the audit risk assessment for BCP Council 2021/22

Appendix C – Grant Thornton – 2021/22 VFM arrangements letter