

GOVERNANCE COMMITTEE MEETING: 11TH MARCH 2019

SUBJECT: AUDIT STRATEGY MEMORANDUM 2018/2019

REPORT OF THE STRATEGIC FINANCE MANAGER

1.0 Purpose of the report

- 1.1 This report details the external auditors Audit Plan which notifies the Authority of the work that they are proposing to undertake in respect of the audit of the financial statements and the value for money conclusion for the financial year 2018/2019.

2.0 Audit Strategy 2018/2019

- 2.1 The attached Memorandum advises on the scope and approach of the auditors work together with the scale of fee for the 2018/2019 audit.
- 2.2 It is welcomed that Mazars audit fees will be £23,590 for the 2018/2019 audit work which is in accordance with the agreed reduced scale fees guidance provided by Public Sector Audit Appointments Ltd (PSAA). This means the cost of the external audit has reduced by £7,046 compared to the previous tender arrangements.
- 2.3 The Audit Strategy identifies the specific areas for the planned audit work based upon a risk assessment process and also includes their views on key judgements used within the financial statements and for the Value for Money conclusion. The Memorandum document sets out the key significant risk areas that have been identified for 2018/2019 and are detailed in Section 5 for the Financial Statements and in Section 6 for the Value for Money Conclusion. All identified risks have been discussed with senior officers and are viewed as typical for an organisation of this size and type.
- 2.4 The document also sets out the protocol the auditors will follow in completing their planned work by providing an audit timeline of key phases of their work and also sets out their proposed methods of communication at each stage.
- 2.5 The auditors will be in attendance to outline the content of the document and to answer any questions.

3.0 Recommendation

- 3.1 The Committee is recommended to note the contents of this report.

