

BOROUGH OF KETTERING

Committee	MONITORING AND AUDIT	Item A1 (b)	Page 1 of 2
Report Originator	EY	Forward Plan Ref: N/A	
Wards Affected	All	5 th February 2019	
Title	EXTERNAL AUDIT REPORTS – FINANCIAL STATEMENTS AUDIT PLAN		

1. PURPOSE OF REPORT

To present the 2018/19 Financial Statements Audit Plan, which details the work EY intend to carry out with regard to the Council's 2018/19 Statement of Accounts.

The report has been prepared by the Council's external auditor and a representative from EY will be at the meeting to present this report and answer Members' questions.

2. FINANCIAL STATEMENTS AUDIT PLAN

- 2.1 Each year the Council's external auditor provides details of the approach they wish to adopt with regard to the audit of the Council's Statement of Accounts and the Value for Money (VFM) arrangements.
- 2.2 The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the authority 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This is supported by the Code of Audit Practice, published by the National Audit Office (NAO) in April 2015, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.' The VFM approach is fundamentally unchanged from that adopted in 2015/2016.
- 2.3 The VFM risk focuses around the wider financial situation within the County across the authorities, and also more nationally, and how these situations have the potential to impact on this Council.
- 2.4 The external auditors (EY) will review how the Authority is dealing with both local and national risks. This approach does not mean that the auditors are saying there is a specific financial resilience risk to KBC itself in terms of how we approach things as an Authority, rather that they are looking at the outside risks which we are having to deal with.

BOROUGH OF KETTERING

Committee	MONITORING & AUDIT	Item A1 (b)	Page 2 of 2
-----------	-------------------------------	----------------	----------------

- 2.5 The attached Financial Statements Audit Plan at **Appendix A** details for Members' information KPMG's intended approach, together with the key audit risks they have identified, the members of their audit team and details of associated fees.

3. RECOMMENDATION

That the Monitoring & Audit Committee receives and notes the 2018/19 Financial Statements Audit Plan.