



AUDIT COMMITTEE REPORT

Report Title	External Audit Update
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AGENDA STATUS: PUBLIC

Audit Committee Meeting Date:	27 th June 2011
Policy Document:	No
Directorate:	Finance and Support
Accountable Cabinet Member:	Cllr Alan Bottwood

1. Purpose

- 1.1 To present the External Audit Opinion Plan for the 2010/11 financial year and to give Audit Committee opportunity to discuss the opinion plan with the Council's external auditor.
- 1.2 To present the External Audit fee letter

2. Recommendations

- 2.1 To consider and discuss the External Audit Opinion Plan (Appendix 1).
- 2.2 To note the External Audit fees.

3. Issues and Choices

3.1 Report Background

- 3.1.1 The Council's external auditors, the Audit Commission, have provided the Council with the External Audit Opinion Plan for the 2010/11 financial year. It is good practice to report this to the Audit Committee and to allow the committee opportunity to discuss the plan with the external auditor and enable the external to be questioned about the plan.
- 3.1.2 The Council received a letter from the Audit Commission dated 15th April 2011 (Appendix 2) setting out the proposed fees for 2011/12. Following a meeting with the auditors and the Chief Executive and the Director of Finance and Support, the Audit Commission revised the proposed fees and sent a subsequent letter dated 2nd June 2011 (Appendix 3).

3.2 Issues

- 3.2.1 The Audit Commission have recently provided the Council with the External Audit Opinion Plan for 2010/11.
- 3.2.2 The plan summarises the Audit Commission's approach to undertaking the annual audit for the 2010/11 financial year.
- 3.2.3 The Audit Commission have reduced the amount they are charging the Council for the "Audit Fee" element of the fees from £194,275 to £178,000, predominantly because of increased reliance that the Auditors can place on the quality of the Statement of Accounts and the supporting working papers.

3.3 Choices (Options)

- 3.3.1 To comment on the External Audit Opinion Plan for 2010/11 and to question the Council's external auditors on any matters arising.
- 3.3.2 To comment on the Audit Commission fees and question the Council's external auditors on these.

4. Implications (including financial implications)

4.1 Policy

- 4.1.1 None.

4.2 Resources and Risk

- 4.2.1 There are no specific resources and risk implications arising from this report.

4.3 Legal

- 4.3.1 There are no specific legal implications arising from this report.

4.4 Equality

- 4.4.1 There are no specific equalities implications arising from this report.

4.5 Consultees (Internal and External)

- 4.5.1 The Chief Executive, the Director of Finance and Support, and the Head of Finance have been given opportunity to comment and feedback on the attached plan

4.6 How the Proposals deliver Priority Outcomes

- 4.6.1 Protecting and enhancing the reputation of Northampton Borough Council.

4.7 Other Implications

- 4.7.1 Not applicable

5. Background Papers

- Appendix 1 – External Audit Opinion Plan for 2010/11
- Appendix 2 – Audit Commission letter of 15th April 2011
- Appendix 3 – Audit Commission letter of 2nd June 2011

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