

Southend-on-Sea Borough Council

Agenda
Item No.

9

Report of Corporate Director Support Services

to

Audit Committee

On

9 January 2013

Report prepared by: PKF External Auditor

PKF: Audit Plan 2012/13

Executive Councillor – Councillor Moring

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To present the External Auditor's Audit Plan for 2012/13 to the Audit Committee.

2. Recommendation

- 2.1 The Audit Committee approves the External Auditor's Audit Plan for 2012/13.**

3. Background

- 3.1 As required by the Audit Commission's Code of Audit Practice 2010, the external auditor must produce an audit planning document. This should set out how the auditors intend to carry out their responsibilities in light of their assessment of risk.
- 3.2 A senior representative of PKF (the appointed External Auditor to the Council) will present this report to the Audit Committee and respond to Members' questions.

4. Corporate Implications

- 4.1 Contribution to Council's Aims and Priorities

Audit work contributes to the delivery of all corporate Aims and Priorities.

- 4.2 Financial Implications

The prescribed requirements of what needs to be undertaken by the external auditor and the fee scales are defined by the Audit Commission. The plan and fees charged reflect the application of these requirements to this Council based upon an assessment of risk which is set out in the 2012/13 Annual Audit Plan.

The planned fee for the external audit of 2012/13 is £189,351, a 40% reduction compared to the planned fee in 2011/12. This reduction has been achieved through a combination of outsourcing the Audit Commission's in-house Audit Practice and internal efficiency savings at the Audit Commission.

4.3 Legal Implications

The Council is required to have an external audit of its activities that complies with the requirements of the Audit Commission's Code of Audit Practice (the Code). By considering this report, the Committee can satisfy itself that this requirement is being discharged.

4.4 People and Property Implications

None

4.5 Consultation

The Audit Plan for 2012/13 has been discussed and agreed with the Corporate Director of Support Services and the Head of Finance and Resources.

4.6 Equalities and Diversity Implications

None

4.7 Risk Assessment

Periodically considering the results of the external auditor helps mitigate the risk that the Council does not receive an external audit service that complies with the requirement of the Audit Commission's Code of Audit Practice.

4.8 Value for Money

The Audit Commission sets the fee formula for determining external audit fees for all external auditors. A 40% reduction has been achieved for 2012/13 through a combination of outsourcing the Audit Commission's in-house Audit Practice and internal efficiency savings at the Audit Commission.

4.9 Community Safety Implications and Environmental Impact

None

5. Background Papers

- Audit Commission's Code of Audit Practice 2010
- Audit Commission's Work Programme and Scales of Fees 2012/13

6. Attachment: PKF Audit Plan 2012/13