

Southend-on-Sea Borough Council

Agenda
Item No.

7

Report of Corporate Director for Corporate Services
to
Audit Committee
on
26 March 2014

Report prepared by: BDO External Auditor

BDO: Audit Plan 2013/14

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 2013/14 to the Audit Committee.

2. Recommendation

2.1 The Committee accepts BDO's Audit Plan for 2013/14.

3. Background

3.1 As required by the Audit Commission's Code of Audit Practice 2010 (the Code), 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 BDO (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 the Council's 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 proposed reflect the application of these requirements to this Council based upon an assessment of risk which is set out in the Audit Plan for 2013/14.

The cost to the Council of external audit for 2013/14 is planned to be £189,351.

4.3 Legal Implications

The Council is required to have an external audit of its activities that complies with the requirements of 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 planned audit work has been discussed and agreed with the Corporate Director for Corporate Services and the Head of Finance and Resources.

4.6 Equalities Impact Assessment

None

4.7 Risk Assessment

Poor performance by the Council in the areas subject to review could result in either a qualified audit opinion or value for money conclusion and may also impact adversely on any corporate assessment.

Periodically considering whether the external auditor is delivering the agreed Annual Audit Plan helps mitigate the risk that the Council does not receive an external audit service that complies with the requirement of the Code.

4.8 Value for Money

The Audit Commission sets the fee formula for determining external audit fees for all external auditors, taking into account the results of the outsourcing of their audit practice and market testing the audit work that is now fully delivered by the private sector audit firms.

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 2013/14

6. Attachment: BDO's Audit Plan 2013/14