

Southend-on-Sea Borough Council

Agenda
Item No.

11

Report of Corporate Director for Corporate Services
to
Audit Committee
on
25 June 2014

Report prepared by: BDO External Auditor

BDO Planning Letter 2014/15

Executive Councillor – Cllr Ron Woodley

A Part 1 Public Agenda Item

1. Purpose of Report

- 1.1 To present the External Audit Planning Letter for 2014/15 to the Audit Committee.

2. Recommendation

- 2.1 The Committee agrees the Planning Letter for 2014/15.**

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. It should be presented to the relevant committee as soon as possible after the start of the relevant financial year.
- 3.2 The auditor is required to present a "letter" setting out the proposed 2014/15 audit fee. A more detailed Audit Plan will be issued in late Autumn which will include any accounts risks identified after completion of the 2013/14 audit.
- 3.3 A senior representative of BDO (the appointed External Auditor to the Council) will present this report 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 fee scales and overall requirements of what needs to be undertaken by the external auditor are defined by the Audit Commission. The fees proposed reflect the application of these requirements to this Council based upon an assessment of risk which is set out in the Planning Letter for 2014/15.

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

This 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

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 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, 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**

None

6. **Attachment: BDO's Planning Letter 2014/15**