

	<h2>Audit Committee</h2> <h3>28th January 2015</h3>
Title	External Auditor Progress Report
Report of	Chief Operating Officer and Director of Finance
Wards	All
Status	Public
Enclosures	Appendix A – BDO Audit Progress Report
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<h2>Summary</h2>
<p>In line with International Standard on Auditing 260 (ISA 260) the Council’s external auditors, BDO, should be provided with access to those charged with governance which in the Council’s case is the Audit Committee.</p> <p>BDO are the Council’s appointed external auditors for the 2015/16 financial year, replacing Grant Thornton. At previous committees a verbal update was provided, when necessary, from the external auditors. It has been agreed that for this quarter and future committees a written report will be provided.</p> <p>Appendix A to this report provides a progress report from BDO on their progress of external audit activities for 2015/16. This report does not include audit progress for the Barnet Pension Fund as this will be presented to the Pension Fund Committee at their meeting in February 2016.</p>

<h2>Recommendations</h2>
<p>1. That the Committee note the content of Appendix A.</p>

1. WHY THIS REPORT IS NEEDED

- 1.1 The Council's external auditors have unrestricted access to those charged with governance which is the Audit Committee for the Council and the Pension Fund Committee for the Barnet Pension Fund.
- 1.2 Quarterly updates on audit progress are provided to the Audit Committee by the external auditors to highlight progress, concerns, issues and risks.

2. REASONS FOR RECOMMENDATIONS

- 2.1 None.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None.

4. POST DECISION IMPLEMENTATION

- 4.1 None.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The audit progress report allows risks to the external audit process to be highlighted, which could highlight key performance issues and achievement of the Council objectives. Those areas of weakness must be addressed over the coming year, failure to do so carries the risk of adverse financial and/or reputational consequences. This supports the Council's corporate priorities as expressed through the Corporate plan.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 This report deals with the Council's audit of the accounts, financial performance, value for money and financial resilience and highlights any potential concerns before the final audit on the Council's arrangements to ensure economy, efficiency and effectiveness in its use of resources.

5.3 Legal and Constitutional References

- 5.3.1 The International Standards of Accountancy allow the external auditors access to those charged with governance. The Council produces its financial statements in line with the standards.

- 5.3.2 The Council's Constitution, Responsibility for Functions - the functions of the Audit Committee are detailed and include "To consider the external auditor's

annual letter, relevant reports and the report to those charged with governance”. and “to comment on the scope and depth of external audit work and to ensure it gives value for money”

5.4 Risk Management

5.4.1 The progress report over the course of a year highlights areas of good control and areas of weakness which need to be addressed by the Council. Failure to do so carries the risk of adverse financial and/or reputational consequences.

5.5 Equalities and Diversity

5.5.1 There are no matter of equalities and diversity arising from the content of this report.

5.6 Consultation and Engagement

There are no consultations or engagements relevant to this report.

6. BACKGROUND PAPERS

6.1 None