

	<h2 style="margin: 0;">Audit Committee</h2> <h3 style="margin: 0;">1st May 2019</h3>
<b>Title</b>	<b>Audit Progress Report</b>
<b>Report of</b>	Director of Finance
<b>Wards</b>	All
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Key</b>	No
<b>Enclosures</b>	Appendix A – Audit Progress Report
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## Summary

Public Sector Appointments Ltd (PSAA) appointed BDO as the Council's External Auditor. Their responsibilities under this contract include the audit of the Council's financial statements and a review of the Authority's arrangements made to secure value for money. In addition to this contract, the Council has commissioned certification of a small number of returns which it must make to Central Government and the Teachers Pension scheme. This report provides an update from the External Auditor on progress against the audit plan.

## Recommendations

1. That Members Note BDO's update report
2. That the Committee consider whether there are any areas on which they require additional information.

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 BDO's Audit Progress Update reports on key aspects of the External Audit of the Council and therefore it is appropriate for Members to be made aware of their scope, progress and findings.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 In order that the Council can receive a progress update from the External Auditor as part of the 2018/19 audit process and be able to consider if they require any additional information.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None

## **4. POST DECISION IMPLEMENTATION**

- 4.1 None

## **5. IMPLICATIONS OF DECISION**

### **5.1.1 Corporate Priorities and Performance**

- 5.1.2 The External Audit addresses fundamental aspects of the Council's management arrangements which support the Council's corporate priorities as expressed through the Corporate Plan.

### **5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

- 5.2.1 The PSAA led national tender resulted in a reduced planned core audit fee of £130,919 for 2018/19. (2017/18 was £170,025 plus cost overruns of £27,237, therefore totalling £197,262).

- 5.2.2 In addition to the Core Fee, BDO also perform grant and returns certification for the Council, for which the planned fee for 2018/19 is £26,750.

- 5.2.3 As part of the certification of the Council's accounts, the Auditors must also consider objections to the accounts received from local electors. The costs to the Council for BDO investigating two of the six objections has been confirmed as £11,115 plus Council officer time.

### **5.3 Social Value**

- 5.3.1 None in the context of this report.

### **5.4 Legal and Constitutional References**

5.4.1 The recommendations of this report do not give rise to any specific legal issues.

5.4.2 In accordance with the Constitution the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

## 5.5 Risk Management

5.5.1 The External Audit is part of the Councils strategic risk management arrangements. Any issues raised during the process will be considered by management and by the Audit Committee and appropriate actions or mitigations will be put in place. The consequences of not properly dealing with issues raised could result in a qualified audit opinion on the financial statements or a qualified value for money opinion

## 5.6 Equalities and Diversity

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

## 5.7 Corporate Parenting

5.7.1 None in the context of this report.

## 5.8 Consultation and Engagement

5.8.1 There are no consultations or engagements relevant to this report

## 5.9 Insight

5.9.1 None in the context of this report.

## 6. BACKGROUND PAPERS

6.1 External Audit Plan 2018/19 – Audit Committee 31<sup>st</sup> January 2019.  
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=144&MId=9495&Ver=4>