



Report to Audit and Governance Committee

Date: 29th July 2020

Reference number:

Title: 2019/20 District Audit plan update

Relevant councillor(s): N/A

Author and/or contact officer: Ernest & Young (External Auditors)/Richard Ambrose (S151)

Ward(s) affected: N/A

Recommendations: Members are requested to consider and note the update on District Councils' audit plans.

Executive summary

- 1.1 The purpose of the report is to present an update on the audit plans resulting from Covid-19 and increase in Audit fees.

Content of report

- 1.2 The audit plans for all the districts were presented to the respective audit committees or circulated via email to the Chair and Vice-Chair of the audit committee if there were no scheduled meetings during March before the lockdown.
- 1.3 Since the original audit plans, there have been two significant events : outbreak of Covid-19 and creation of the new council and the Audit & Governance Committee. The attached Audit plan update at appendix 1 provides an update on impact of Covid-19 and audit risks resulting from these events.
- 1.4 In the original plans, the auditor had also outlined the impact the changing risk and regulatory environment was having on audits and discussions that were ongoing with the Public Sector Audit Appointments (PSAA) regarding the scale fee setting process. The audit plan update (Appendix 1) includes an update on how those issues are impacting the scale fees of the District Councils which are subject to approval by PSAA.

- 1.5 Due to significant increase in fees across all the District Councils, these have been challenged but at the same time it is recognised the changes to the regulatory environment is having an impact on the Audit work and ultimately the fees will need to be approved by PSAA.

Other options considered

- 1.6 N/A

Legal and financial implications

- 1.7 The total consolidated budget for the District Councils' Main audit fees and Housing Benefit Fees is £277k, the total revised fees (to be approved by PSAA) which includes an estimated cost of extended testing for Housing Benefit is forecasted at £343k resulting in a forecast overspend of £66k.
- 1.8 Finance Service will try to manage this forecast overspend within its overall budget, however ultimately this may have an impact on Council's overall General Fund position.

Corporate implications

- 1.9 None.

Consultation and Communication

- 1.10 None.

Next steps and review

- 1.11 The audit activity will be delivered in accordance with the plan and findings reported to the Chief Finance Officer and the Audit and Governance Committee.

Background papers

District Audit Plans

Your questions and views (for key decisions)

If you have any questions about the matters contained in this report please get in touch with the author of this report or email to Hasina.Shah@buckinghamshire.gov.uk