

Audit & Governance Committee  
10 July 2024

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**External Audit Plan 2023/24**

**Purpose of the report:**  
To provide the Audit & Governance Committee with oversight of the plan for the external audit of the 2023/24 statement of accounts.

**Recommendations:**

It is recommended that the Committee:

1. Note the changes made to the External Audit Plan as requested by the Committee on 5 June 2024.
2. Approve the revised 2023/24 External Audit Plan (attached as Annex 1).

**Introduction:**

1. The Council's External Auditors, EY, are required to agree a plan for auditing each year's Statement of Accounts prior to commencement of the audit. The Audit and Governance Committee is responsible for approving that plan.

**External Audit Plan 2023/24**

2. The External Audit Plan proposed by EY for the audit of the 2023/24 Statement of Accounts is attached in Annex 1. It provides the Audit & Governance Committee with an opportunity to review the proposed audit approach and scope for the 2023/24 audit, in accordance with the requirements of the Local Audit & Accountability Act 2014, the National Audit Office's 2020 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA) Ltd, auditing standards and other professional requirements.
3. The Annex shares the audit approach, the focus of the external audit work and the preparation work requirements. The Audit Plan enables EY to:
  - Provide an overview of the 2023/24 audit strategy.
  - Set out the scope, key responsibilities and approach.
  - Describe significant audit risks and the risk assessment process.
  - Highlight any changes to the requirements of the auditor.

- Outline the approach to materiality.
  - Set out the scope of the audit and the proposed audit timeline.
  - Advise on the Audit Team allocated to the audit of the Council's accounts.
  - Advise of the fee for the 2023/24 audit and the independence of the auditor.
  - Outline the process for reporting back to the Council on their work.
4. The External Audit Plan was first presented to this Committee on 5 June. The Committee did not approve the Plan and requested it to be brought back to a future meeting, including fee ranges for those areas of work that are in addition to the scope of the Public Sector Auditor Appointments Scale Fees. Page 47 of Annex 1 has been updated to reflect this request. The fees ranges are based on EY's experience of work required to address such issues and are in line with fee variations previously submitted to PSAA for such work at other audited bodies.

#### **Value For Money**

5. In addition to auditing the Statement of Accounts, the external auditors are required to assess the arrangements in place to ensure value for money. The National Audit Office (NAO) requires auditors to structure their commentary on value for money arrangements under the following three specified reporting criteria:
- Financial sustainability – risks that the council cannot effectively plan and manage its resources to meet financial pressures.
  - Governance – a risk that the council has not made informed decisions and is not effectively managing its risks, and
  - Improving economy, efficiency and effectiveness – there is a risk that the council is not using its cost and performance data to improve the way it manages and delivers services.
6. The Audit Plan sets out the plans to assess the arrangements in place to ensure value for money.

#### **Conclusions:**

7. EY's 2023/24 external audit plan is presented to this Committee for approval.

#### **Financial and value for money implications:**

8. The External audit plan details the fees associated with the audit of the financial statements, these are in line with the Public Sector Auditor Appointments scale fees and included in the Council's revenue budget.

#### **Equalities and Diversity Implications:**

9. There are no direct equalities implications of this report.

**Risk Management Implications:**

10. There are no direct risk management implications of this report.

**Legal Implications – Monitoring Officer:**

11. There are no legal implications of this report, other than those set out in Annex 1.

**Next steps:**

12. The external audit is due to commence in July 2024 with the audited statement of accounts and audit findings report scheduled to be presented to this Committee in November 2024.

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**Sources/background papers:**  
None

**Annexes/Appendices:**

- Annex 1 – External Audit Plan 2023/24
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