

1. **EXTERNAL AUDIT PLAN 2012/13**

**Submitted by:** Executive Director – Resources and Support Services

**Portfolio:** Finance and Resources

**Ward(s) affected:** All

**Purpose of the Report**

To consider the External Audit Plan for 2012/13 as attached at Appendix A.

**Recommendation**

**That the External Audit Plan for 2012/13 be approved.**

**Reasons**

External audit is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and corporate governance of public services. The scope of auditors' work is extended to cover not only the audit of financial statements but also value for money and the conduct of public business and this is reflected in the proposed plan.

1. **Background**

1.1 Grant Thornton's plan for the 2012/13 audit of the Council's financial statements and value for money conclusion is attached as Appendix A. The plan sets out the work that Grant Thornton propose to undertake to satisfy their responsibilities under the national audit requirements as set out in the Code of Audit Practice and associated guidance. They are required by professional auditing standards to specify the detailed risks that they need to consider as part of their opinion planning work.

2. **Issues**

2.1 Grant Thornton have considered the risks that are appropriate to the current audit. These are set out on in the attached plan.

3. **Options Considered**

3.1 Officers have reviewed the plan and agreed to the one attached as Appendix A.

4. **Proposal**

4.1 It is proposed that Grant Thornton's Audit Plan for 2012/13 is approved.

5. **Outcomes Linked to Corporate Priorities**

5.1 The External Audit function gives assurance on the stewardship of public resources and effectiveness of services in terms of value for money as well as contributing to the prevention, detection and investigation of potential fraud and corruption incidents.

6. **Legal and Statutory Implications**

- 6.1 The duties and powers of auditors appointed by the Audit Commission are set out in the Audit Commission Act 1998, the Local Government Act 1999 and the Commission's Statutory Code of Audit Practice.

7. **Financial and Resource Implications**

- 7.1 Provision in respect of the fees for the Grant Thornton's work for 2012/13 - £85,936 - is contained within the Council's budget estimates.

8. **Major Risks**

The level of fee is based on a number of assumptions within the Audit Plan. If these assumptions are not met then additional audit work may have to be undertaken which could result in an increased audit fee. Grant Thornton will keep the Executive Director (Resources and Support Services) informed of any changes to the plans and therefore the fee.

9. **List of Appendices**

Appendix A: Grant Thornton's Audit Plan 2012/13.