

14 March 2018

Audit Committee

External Audit Plan 2017/18

Report of: *Ernst & Young*

Wards Affected: *None*

This report is: *Public*

1. Executive Summary

- 1.1 The Audit Plan sets out how Ernst & Young intend to carry out their responsibilities as the Council's External Auditor in auditing the final accounts for the financial year 2017/18.
- 1.2 This plan summarises our initial assessment of the key risks driving the development of an effective audit for the Council, and outlines our planned audit strategy in response to those risks.

2. Recommendation(s)

- 2.1 Members are requested to note the External Audit Plan 2017/18 as shown in Appendix A**

3. Introduction and Background

- 3.1 The Audit Plan covers the work that is planned in order to provide the Council with:
 - An audit opinion on whether the financial statements of Brentwood Borough Council give a true and fair view of the financial position as at the end of 31 March 2018 and of the income and expenditure for the year then ended; and
 - A statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

4. Issue, Options and Analysis of Options

- 4.1 The audit will consider several key inputs:

- Strategic, operational and financial risks relevant to the financial statements
- Developments in financial reporting and financial standards
- The quality of systems and processes.
- Changes in the business and regulatory environment.
- Management's views on all of the above.

4.2 The Audit Plan identifies area of focus and significant risks for the financial statements.

- Misstatement due to fraud or error.
- Property, Plant and equipment valuations
- Pension Valuation and disclosures
- Earlier deadline for production of the financial statements.

4.3 The Value for Money Audit will focus the Medium Term Financial Planning process; savings and income generation plans; and the Council's developing approach to partnership working.

4.4 The External Audit Plan 2017/18 is attached in Appendix A.

5. Reasons for Recommendation

5.1 The Audit Plan will inform the statutory audit opinion.

6. Reference to Corporate Plan

6.1 Good financial management underpins all priorities within the Corporate Plan.

7. Implications

Financial Implications

Name & Title: Jacqueline Van Mellaerts, Finance Services Manager
(Deputy 151 Officer)

Tel & Email: 01277 312829 / Jacqueline.vanmellaerts@brentwood.gov.uk

7.1 The Auditors Planned fees for 2017/18 and actual fees for 2016/17 are listed in Appendix A on Page 29, which are included in the Council's Medium Term Financial Plan. There maybe further fees expected depending on the additional value for money audit work.

Legal Implications

Name & Title: Daniel Toohey, Monitoring Officer

Tel & Email: 01277 312860 / daniel.toohey@brentwood.gov.uk

7.2 There are no direct legal implications arising from this report

8. Appendices to this report

Appendix A – External Audit Plan 2017-18

Report Author Contact Details:

Name: Jacqueline Van Mellaerts, Finance Service Manager (Deputy
151 Officer)
Telephone: 01277 312829
E-mail: Jacqueline.vanmellaerts@brentwood.gov.uk