

**REPORT FOR: GOVERNANCE, AUDIT,  
RISK MANAGEMENT AND  
STANDARDS COMMITTEE**

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**Date of Meeting:** 28 January 2016

**Subject:** INFORMATION REPORT  
External Audit Plan 2015/16

**Responsible Officer:** Dawn Calvert, Director of Finance

**Exempt:** No

**Wards affected:** All

**Enclosures:** External Audit Plan 2015/16

**Section 1 – Summary and Recommendations**

This report provides the Committee with an opportunity to consider the External Audit Plan 2015/16 from the Council's external auditors

**Recommendation**

The Committee is asked to note the External Audit Plan

**Reason**

To keep the Committee informed of the planned external audit work

## **Section 2 – Report**

### **Background**

External Audit Plan for 2015/16

1. The External Audit Plan provides the Council with clarity about how the external audit of the Council's accounts and Pension Fund accounts for 2015/16 will be conducted. The audit plan sets out the following :-

- a. Estimated overall materiality – this has been set at £6.0m for the General Fund and £7.0m for the Pension Fund;
- b. Impact on the Council's Statement of Accounts resulting from the developments and changes from the 2015/16 Code of Practice on Local Authority Accounting of which there are no significant changes;
- c. Scope of audit work and approach;
- d. Significant and other audit risks as summarised below:-
  - i. Management override of controls – which would include testing of journals, significant accounting estimates and any unusual transactions;
  - ii. Potential for fraudulent revenue recognition - this is not considered a high risk as there are limited incentives and opportunities to manipulate the way income is reported. Standard fraud procedures will be undertaken.
  - iii. Valuation of property, plant and equipment;
  - iv. Valuation of investments – Pension Fund;
  - v. Financial Planning – The Authority has significant saving targets for future years;
  - vi. Pension liability assumptions;
  - vii. Grant income recognition; and
  - viii. Calculation of benefits – Pension Fund
- e. Value for Money conclusion;
- f. Auditors responsibilities; and
- g. Audit fees and Timetable.

2. The Committee is asked to consider the plan.

### **Financial Implications**

There are no direct financial implications arising from this report.

### **Risk Management Implications**

The receipt of the audit plan is included within the closure of accounts timetable for officers to ensure the plan has been received.

### **Equalities implications**

There are no equalities implications.

### **Council Priorities**

The Statement of Accounts provides assurance that the Council has managed its finances and delivered value for money in accordance with Council's corporate vision and priorities.

### **Section 3 - Statutory Officer Clearance**

Name: Dawn Calvert



Chief Financial Officer

Date: 18<sup>th</sup> January 2016

**Ward Councillors notified:**

n/a

### **Section 4 - Contact Details and Background Papers**

**Contact: Paul Gower** (Interim Technical Accounting Manager) Tel: 020-8424-1335 /  
Email: paul.gower@harrow.gov.uk

**Background Papers:**

None