

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

Date of Meeting: 31 January 2017

Subject: INFORMATION REPORT -
External Audit Plan 2016/17

Responsible Officer: Dawn Calvert, Director of Finance

Exempt: No

Wards affected: All

Enclosures: External Audit Plan 2016/17

Section 1 – Summary and Recommendations

This report provides the Committee with an opportunity to consider the External Audit Plan 2016/17 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 2016/17

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 2016/17 will be conducted. The audit plan sets out the following :-

- a. Estimated overall materiality – this has been set at £8m for the General Fund and £10m for the Pension Fund;
- b. Impact on the Council's Statement of Accounts resulting from the developments and changes from the 2016/17 Code of Practice on Local Authority Accounting of which there are no significant changes, but there will be some changes to the layout of the Comprehensive Income and Expenditure Account and Movement In Reserves Statement;
- 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 Pension Fund assets;
 - v. Pension liability including assumptions and having regard to the potential for significant changes arising from the LGPS Triennial Valuation;
 - vi. Regeneration Programme – part of Harrow's "Building a better Harrow" regeneration strategy;
 - 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: 19 January 2017

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