

<b>6 March 2013</b>		<b>ITEM: 10</b>
<b>Standards &amp; Audit Committee</b>		
<b>EXTERNAL AUDIT: AUDIT PLAN</b>		
<b>Report of:</b> Martin Hone, Director of Finance & Corporate Governance		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> No	
<b>Accountable Head of Service:</b> Sean Clark, Head of Corporate Finance		
<b>Accountable Director:</b> Martin Hone, Director of Finance & Corporate Governance		
<b>This report is public</b>		
<b>Purpose of Report:</b> To present to the Committee the External Auditors' Audit Plan for audit of the 2012/13 financial statement and the Council's Value for Money conclusion.		

## **EXECUTIVE SUMMARY**

This report is for noting: attached is the Annual Audit Plan from Ernst & Young, the Council's external auditors, that partly duplicates the papers considered at the last meeting but pulls together a number of considerations.

### **1. RECOMMENDATIONS:**

**1.1 That the report be noted.**

### **2. INTRODUCTION AND BACKGROUND:**

2.1 As the Committee will know, the Council's external auditors were, until September 2012, the Audit Commission. Following the abolition of the Commission, the audit practice transferred to Ernst & Young. This report introduces the first Audit Plan that will cover the audit of the 2012/13 financial statement and the Value for Money conclusion.

2.2 The Plan clearly sets out the key risks and the areas that the auditors will focus on in both the audit and the VFM conclusion.

2.3 Officers plan to bring a report back to the Committee in April that will update the Committee on the Action being taken since the end of the 2011/12 audit that will answer a number of these concerns whilst also commenting on this Plan in more detail.

2.4 The auditors will be available at tonight's meeting to answer any questions that members may have.

**3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:**

3.1 The report is only for noting as it is the report of the external auditors.

**4. REASONS FOR RECOMMENDATION:**

4.1 So that the committee acknowledge the Audit Plan put forward from the Council's external auditors.

**5. CONSULTATION (including Overview and Scrutiny, if applicable)**

5.1 There has been no consultation on this report though officers will be consulted in the report that will be submitted to the Committee in April on the various issues.

**6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

6.1 Robust financial processes safeguard the Council's assets that support the Council in delivering its policies and priorities.

**7. IMPLICATIONS**

7.1 **Financial**

Implications verified by: **Sean Clark**  
Telephone and email: **01375 652010**  
**sclark@thurrock.gov.uk**

Committee are asked to note the reduction in audit fees for 2012/13 compared to previous years. The Director of Finance & Corporate Governance has given a commitment to ensure that fees are kept to an absolute minimum and that in particular additional payments to Ernst & Young will only be considered in exceptional circumstances.

7.2 **Legal**

Implications verified by: **David Lawson**  
Telephone and email: **01375 652087**  
**dlawson@thurrock.gov.uk**

The Council's Financial Statement must be prepared in accordance with the provisions of the Accounts and Audit Regulations 2003. These Regulations include a requirement for authorities to be responsible for their financial

management, and to have a sound system of internal control. There is also a requirement for authorities to follow proper internal audit practices.

**7.3 Diversity and Equality**

Implications verified by: **Samson DeAlyn**  
Telephone and email: **01375 652472**  
**SDeAlyn@thurrock.gov.uk**

There are no specific implications from this report.

**7.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

None.

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):**

- None.

**APPENDICES TO THIS REPORT:**

- Ernst and Young Audit Plan for Thurrock Council
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