

**LICENSING & GENERAL PURPOSES
COMMITTEE
21 MARCH 2016**

**HEAD OF FINANCIAL SERVICES
REPORT NO. FIN1606**

EXTERNAL AUDIT UPDATES

1 INTRODUCTION

- 1.1 Ernst & Young, the Council's appointed auditors, will be undertaking the audit of Rushmoor Borough Council's financial statements for 2015/16, in order to give an audit opinion on those statements and to provide a value for money conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.
- 1.2 The audit work is governed by the statutory requirements of the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice and the Statement of Responsibilities issued by the Public Sector Audit Appointments (PSAA) Ltd but does not relieve management or the Licensing and General Purposes Committee, as those charged with governance, of their responsibilities.
- 1.3 The auditors have provided the following documents for discussion:
 - Audit Plan for 2015/16
 - Sector briefing
 - Value For Money update
- 1.4 Representatives from Ernst & Young will present the key points of each document to the meeting and answer questions arising.

2 2015/16 AUDIT PLAN

- 2.1 The attached Audit Plan sets out the proposed audit approach and scope for the 2015/16 audit and summarises the auditor's assessment of any key risks to be considered as part of the opinion work.
- 2.2 The 2015/16 Audit Plan covers the following areas;
 - Financial statement risks
 - Value for money risks
 - The audit process and strategy
 - Independence
 - Audit fees for 2015/16 audit
 - Communications required with those charged with governance

3 SECTOR BRIEFING

- 3.1 Ernst & Young's local government sector briefing provides an update on technical matters relevant to local government accounting and wider issues facing local government. The latest briefing covers topics such as;
- Government and economic news
 - Accounting, auditing and governance
 - Regulation news
 - Key questions for the committee
- 3.2 Of particular note to the committee will be the sections on the future earlier closure of the final accounts, which has previously been reported to Members, alongside the first steps the Finance team have taken in preparation of the change, and the revised guidance for carrying out the Value for Money audit work.

4 VALUE FOR MONEY UPDATE

- 4.1 The auditors will present the revised criteria and arrangements for carrying out the value for money assessment as part of their annual audit work.

5 RECOMMENDATION

- 5.1 Members are requested to note the contents of this report and the attached updates from Ernst & Young.

AMANDA FAHEY
HEAD OF FINANCIAL SERVICES