

## Informing External Audit's Risk Assessment

### **Audit Committee**

**Date: 4<sup>th</sup> April 2017**

Author: Head of Internal Audit  
Wards: None  
Locality Affected: None  
Parishes Affected: None

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### **1. Purpose and Reasons**

- 1.1 As part of their audit of the Council's financial statements and in order to comply with the International Standards on Auditing (UK and Ireland), the External Auditor is required to make inquiries of both management and the Audit Committee as to their knowledge and understanding of the following areas:
- Fraud
  - Laws and regulations
  - Going concern
  - Accounting estimates; and
  - Related parties

### **2. Recommendations**

The Committee is recommended to:

- 2.1 It is recommended that the Audit Committee consider whether the responses submitted by the Council's management are consistent with its understanding and whether there are any additional comments it wishes to make.

### **3. Detail**

- 3.1 The Council's financial statements are audited by its External Auditor, Grant Thornton.
- 3.2 As part of their risk assessment procedures External Audit are required to obtain an understanding of management processes and the Audit Committee's oversight of the following areas:
- Fraud
  - Laws and regulations
  - Going concern
  - Accounting estimates; and
  - Related parties
- 3.3 Appendix 1 sets out a series of questions asked by External Audit on each of these areas and the responses provided by management.
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### **4. Alternative Options**

4.1 Not Applicable

### **5. Implications, Diversity Impact Assessment and Risk Management**

#### Financial and Procurement Implications

5.1 There are no direct financial implications arising from this report.

#### Legal and Human Rights Implications

5.2 Internal Audit is a statutory requirement of the Accounts and Audit Regulations 2015. The Internal Audit service also provides assurance to the Director of Finance regarding the requirements of Section 151 of the Local Government Act 1972.

#### All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

5.3 None

#### Links to One Swindon, Strategic Objectives, Plans and Policies

5.4 Effective systems of governance and internal control within the Council will help to ensure that the objectives set out in One Swindon and the Council's Corporate Strategy is achieved.

#### Diversity Impact Assessment

5.5 None

#### Risk Management

5.6 Not applicable

### **6. Consultees**

6.1 The Director of Finance (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

### **7. Background Papers**

7.1 None

### **8. Appendices**

Appendix 1: External Audit letter to those charged with governance

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**9. Key Decision/Decision in Forward Plan**

Not Applicable