

Letter to those charged with governance

Audit Committee

Date: 20th March 2018

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

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 Auditing Standards (UK and Ireland), the External Auditor is required to make inquiries of both management and the Audit Committee as to their knowledge of any actual, suspected or alleged fraud. International Auditing Standards also place certain obligations on auditors to document Management's view on some key areas affecting the financial statements.

2. Recommendations

The Committee is recommended to:

- 2.1 It is recommended that the Audit Committee note the responses submitted by the Chair on behalf of the Audit Committee and by management.

3. Detail

- 3.1 The Council's financial statements are audited by its External Auditor, Grant Thornton.
- 3.2 In order for the External Auditor to comply with the International Auditing Standards (UK and Ireland) they need to establish an understanding of the management processes in place to prevent and detect fraud and to ensure compliance with law and regulation. The External Auditor is also required to make inquiries of both management and 'those charged with governance' (the Audit Committee) as to their knowledge of any actual, suspected or alleged fraud. International Auditing Standards also place certain obligations on auditors to document Management's view on some key areas affecting the financial statements. This applies to both the Council and to the Council's subsidiary companies.
- 3.3 The responses in the attached Appendix 1 address the points set out in auditing standards.

4. Alternative Options

- 4.1 Not applicable
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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

Diversity Impact Assessment

- 5.4 None

Risk Management

- 5.5 Potential risks to the Council are identified in Appendix 1.

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

- 8.1 Appendix 1: Grant Thornton: Informing the risk assessment for Swindon Borough Council

9. Key Decision/Decision in Forward Plan

Not Applicable