

## AUDIT AND STANDARDS COMMITTEE

16 January 2019

<b>Title:</b> External Audit Plan 2018/19	
<b>Report of the Chief Operating Officer</b>	
<b>Open Report</b>	<b>For information</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> No
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<b>Accountable Director:</b> Helen Seechurn, Interim Director of Finance	
<b>Summary:</b>  This report is to note the Audit Plan, for the London Borough of Barking and Dagenham, for the year ending 31 March 2019.	

<b>Recommendation</b>  That the Committee notes the contents of this report.
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### 1. Introduction and Background

- 1.1. The Independent Auditors, BDO, audit plan sets out for the benefit of those charged with governance (in the case of London Borough of Barking and Dagenham, Audit and Standards Committee), an overview of the planned scope and timing of the audit, as required by International Standard on Auditing (UK & Ireland) 260.
- 1.2. The plan is to enable the members to understand the consequences of BDO's work, discuss issues or risk and the concept of materiality with the Independent Auditors.
- 1.3. The audit of the financial statement does not relieve management or those charged with governance of their responsibilities for the preparation of the financial statements. The contents of the Audit Plan have been discussed with management.

### 2. Financial Implications

*Implications completed by: Helen Seechurn, Interim Director of Finance*

- 2.1 Other than the audit fees mentioned in the Audit Plan, there are no financial implications arising from the report.

### **3. Legal Implications**

*Implications completed by: Dr. Paul Feild Senior Governance Lawyer*

- 3.1 The Director of Finance has a statutory duty, under Section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985, to ensure that there are proper arrangements in place to administer the Council's financial affairs. An essential component of sound administration is a sound audit function.
- 3.2 The Local Audit and Accountability Act 2014, established a new audit regime. Local Authorities must appoint a local auditor which in carrying out its' role must be satisfied that the authority has:
- made proper arrangements for securing economy, efficiency and effectiveness in its use of resources';
  - in its accounts comply with the requirements of the enactments that apply to them; and
  - observed proper practices in the preparation of the statement of accounts; and that the statement presents a true and fair view.
- 3.3 This is supported by the Code of Audit Practice, published by the NAO in April 2016, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

### **4. Recommendation**

4.1 Audit and Standards Committee is asked to note the contents of the Audit Plan.

### **5. Appendix**

5.1 Appendix 1 – BDO External Audit Plan 2018-19