



## Committee report

Committee	<b>AUDIT COMMITTEE</b>
Date	<b>19 MAY 2015</b>
Title	<b>EXTERNAL AUDITOR – COUNCIL AUDIT PLAN 2014-15 AND PENSION FUND AUDIT PLAN 2014-15</b>
Report of	<b>BUSINESS IMPROVEMENT MANAGER</b>

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### EXECUTIVE SUMMARY

1. This report introduces the plans for the audit of the council's accounts and for those of the Isle of Wight Pension Fund for 2014-15 from its external auditors, Ernst Young LLP.

### BACKGROUND

2. The council's external auditors have a number of obligations placed upon them to review and report on a range of specific issues throughout the year. The attached appendices provide the committee with draft plans for external audit activity in relation to the previous financial year.

### STRATEGIC CONTEXT

3. The external audit of the council represents a significant element of the council's overall corporate governance framework.

### CONSULTATION

4. Consultation about the draft audit plans has taken place with the council's Managing Director and the Head of Finance. The outcomes of those consultations will be reflected in the attached appendices.

### FINANCIAL / BUDGET IMPLICATIONS

5. The plans set out the charge to be made by the external auditors as follows:

	Audit Fee 2014/15 £
Isle of Wight Council	167,390
Certification of housing benefit subsidy	22,770
Harbours	2,511
Pension Fund	21,085

## LEGAL IMPLICATIONS

6. The Local Audit and Accountability Act 2014 (the 2014 Act) closes the Audit Commission and repeals the Audit Commission Act 1998. The 2014 Act requires the Comptroller and Auditor General to prepare a Code of Audit Practice which auditors must follow. The transitional provisions within the 2014 Act provide for the Audit Commission's 2010 Code to continue to apply to audit work in respect of the 2014/15 financial year. These plans are therefore prepared on the basis of the continued application of the 2010 Code of Audit Practice throughout the 2014/15 audit.
7. In auditing the accounts of the council and those of the Pension Fund, the auditor must, by examination of the accounts and otherwise, provide:
  - a) an audit opinion on whether the financial statements of Isle of Wight Council give a true and fair view of the financial position as at 31 March 2015 and of the income and expenditure for the year then ended; and
  - b) a statutory conclusion on the council's arrangements to secure economy, efficiency and effectiveness.

## EQUALITY AND DIVERSITY

8. The council has a legal duty under the Equality Act 2010 to seek to eliminate discrimination, victimisation and harassment in relation to age, disability, gender re-assignment, pregnancy and maternity, race, religion, sex, sexual orientation and marriage and civil partnership. Following an initial screening it is considered that there are no direct equality and diversity implications of this report for any of the protected groups.

## RISK MANAGEMENT

9. There are no risk issues in relation to this report as the appendix is for noting only.

## RECOMMENDATION

Members are asked to note the contents of the auditor's plans for the audit of the council's 2014-15 accounts and those of the Pension Fund for 2014-15.

## APPENDICES ATTACHED

10. [Appendix A](#) – Isle of Wight Council Audit Plan  
[Appendix B](#) – Isle of Wight Pension Fund Audit Plan

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