



## PAPER B

Purpose: For Noting

# Committee report

Committee	<b>AUDIT COMMITTEE</b>
Date	<b>18 FEBRUARY 2016</b>
Title	<b>EXTERNAL AUDITOR – COUNCIL AUDIT PLAN 2015-16</b>
Report of	<b>TECHNICAL FINANCE MANAGER</b>

---

### EXECUTIVE SUMMARY

1. This report introduces the plan for the audit of the council's accounts for the year ended 31 March 2016 from its external auditors, Ernst & Young LLP.
2. A similar plan for the audit of the council's pension fund will be presented at the May 2016 audit committee meeting.
3. The committee is asked to note the report.

### BACKGROUND

4. 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 appendix provides the committee with draft plan for external audit activity for the council in relation to the current financial year.

### STRATEGIC CONTEXT

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

### CONSULTATION

6. Consultation about the draft audit plans has taken place with the council's Managing Director, the Chief Financial Officer and Section 151 Officer and other senior finance staff.

## FINANCIAL / BUDGET IMPLICATIONS

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

	<b>Planned fee 2015-16</b>	<b>Actual fee 2014-15</b>
Isle of Wight Council	125,543	167,390
Harbours	2,511	2,511
Certification of claims and returns	14,711	22,770
	<hr/>	<hr/>
	142,765	192,671

## LEGAL IMPLICATIONS

8. 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. This plan is prepared on the basis of the continued application of the National Audit Office's 2015 Code of Audit Practice throughout the 2015-16 audit.
9. In auditing the accounts of the council, 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 2016 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

10. 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

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

## RECOMMENDATION

12. Members are asked to note the contents of the auditor's plan for the audit of the councils 2015-16 accounts.

APPENDICES ATTACHED

13. [Appendix A](#) – Isle of Wight Council draft audit plan.

Contact Point: Jo Thistlewood, Technical Finance Manager, ☎ 01983 821000  
e-mail [jo.thistlewood@iow.gov.uk](mailto:jo.thistlewood@iow.gov.uk)

DAVE BURBAGE  
*Chief Financial Officer and  
Section 151 Officer*

CLLR JONATHAN BACON  
*Leader and Executive Member for Resources,  
Organisational Change and Children's Services*