

## **EXTERNAL AUDIT PLAN 2019/20**

**Responsible Officer** Nigel Evans

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### **1. Summary**

- 1.1 It has been previously agreed for the Joint Committee to continue with an external audit to provide the Joint Committee the necessary continued assurance regarding stewardship of funds.
- 1.2 This report provides the Joint Committee with the proposed external audit plan for 2019/20 for consideration and approval.

### **2. Recommendations**

It is recommended that the Joint Committee:

- 2.1 approve the draft audit plan for 2019/20 as presented by Grant Thornton attached at Appendix 1
- 2.2 approve the commissioning of Grant Thornton to undertake the audit in accordance with the audit plan.

## **REPORT**

### **3. Risk Assessment and Opportunities Appraisal**

- 3.1 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.
- 3.2 There are no direct environmental, equalities or climate change consequences arising from this report.
- 3.3 Grant Thornton's audit work is conducted in accordance with the International Standards on Auditing (ISAs) (UK).

- 3.4 The risks associated with not conducting an external audit including an audit opinion were considered when the decision was made in September 2015 to continue with an external audit. It was accepted by the Joint Committee that without an annual External Audit process not only would the Joint Committee lose the assurance regarding stewardship of funds but also the other Local Authorities/public entities with which WME trades.

#### **4. Financial Implications**

- 4.1 The quoted audit fee for 2019/20 is £14,250, an increase of £750 on the £13,500 in 2018/19. The fee stood at £13,000 for 2015/16 – 2017/18 after a reduction from the 2014/15 rate of £18,386.

#### **5. Background**

- 5.1 At the September 2015 Joint Committee, members were advised of the changes to the statutory audit requirements for Joint Committees effective from 1 April 2015. At this Joint Committee, it was agreed to continue with an annual external audit to provide the Joint Committee the necessary continued assurance regarding stewardship of funds.
- 5.2 The scope of the audit to be undertaken is set out in Grant Thornton's proposal and the 'significant risks' identified for special audit consideration are identified on pages 5 to 7 of the plan.
- 5.3 Grant Thornton will conduct their main audit work on the WME accounts for 2019/20 at a time to be agreed during the summer and will bring their report to the September Joint Committee.

<b>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b>
Joint Committee 28 September 2015 – Local Audit and Accountability Act 2014
<b>Member</b> Councillor P Nutting of Shropshire Council (Chair of the Joint Committee)
<b>Appendices</b> Appendix 1 - Grant Thornton The Audit Plan for West Mercia Energy (year ended 31 March 2020)