

AUDIT COMMITTEE

Subject Heading:

External Audit Plan 2019/20

SLT Lead:

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Policy context:

To consider the External Audit Plans for the London Borough of Havering and for the Pension Fund

Financial summary:

There are no direct financial implications to the report

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

[x]
[x]
[x]
[x]

SUMMARY

The attached reports advise the Audit Committee of the proposed External Audit Plan for 2019/20.

The Council's External Auditors, Ernst and Young (EY) will be at the meeting to present the report.

RECOMMENDATIONS

1. To note the contents of the plan, in particular the materiality and reporting levels.
2. To raise any issues of concern and ask specific questions of officers or external auditors where required.

REPORT DETAIL

Background

1. Ernst and Young are the current External Auditors for the London Borough of Havering and for the Council Pension Fund. This report includes the external audit plan for the Council and for the Pension Fund which are attached at appendix 1 and appendix 2.
2. The final audit is to take place during August and September 2020 with the publication of the opinion planned for October. The audited accounts will be brought back to this Committee along with the audit opinion for approval.
3. The Committee is asked to note the materiality and reporting levels set by the auditors on page 23 of their plan.
4. The audit fee is outlined on page 39 of this report. The audit fee for 2019/20 is £226,567 and increase from £163,273 in 2018/19. The fee includes an additional charge compared to the code work fee (£116,920) of £91,147 for consideration of areas such as land and buildings valuations, investment properties and the pension fund.
5. The Pension Fund audit plan is also enclosed. The audit fee has increased from last year's fee of £16,170 to £63,000. Page 30 of the plan explains the auditors justification for this increase.
6. Given the scale of the increase in the fees, Legal and Procurement advice are currently being sought as to whether this is in line with the Public Sector Audit Appointments (PSAA) framework contract the Council currently has in place with EY.
7. The auditors also issue briefings to Audit Committees on a regular basis throughout the year.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no direct financial implications in noting the content of this Report. The Higher audit fees set out in the audit plans will be met within General Fund Budgets and the Pension Fund as appropriate.

Legal implications and risks:

There are no apparent legal implications in noting the content of this Report. The issue around the increase in the audit fees is currently being considered and legal advice will be provided to the s 151 officer.

Human Resources implications and risks:

None arising directly from this report.

Equalities implications and risks:

None arising directly from this report