



**Havering**  
LONDON BOROUGH

## AUDIT COMMITTEE – 28<sup>TH</sup> APRIL 2021

**Subject Heading:**

External Audit Plan 2020/21

**SLT Lead:**

Jane West

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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 cost of the audit is contained in the audit plan

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

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

**SUMMARY**

The attached reports advise the Audit Committee of the proposed External Audit Plan for 2020/21.

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

**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**

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 in appendices 1 and 2.

The final audit is to commence in September 2021 with the publication of the opinion by the end of the year. It is planned to table the draft 2020/21 accounts at a meeting in July and the audited accounts will be brought back to this Committee along with the audit opinion for approval.

The Committee is asked to note the materiality and reporting levels set by the auditors on page 27 of their plan (page 14 for the pension fund). The audit fee is outlined on page 44 of their Council plan. The overall audit fee for 2020/21 is £226,567, the same as 2019/20. Both years include a proposed increase to the scale fee of £91,147 for both 2019/20 and 2020/21. The fee also includes a charge of £18,500 for the Housing Benefit and Teachers Pension Return. GT were appointed to do the TP return in 2019/20 as EY did not have the resources to complete the audit by the deadline set by the Teacher's Pension organisation. There might be additional audit fees for additional risks for COVID risk review work and value for money assessments required by the National Audit Office (NAO).

The Pension Fund audit plan is also enclosed. The audit fee scale outlined on page 27 of the pension plan has increased from last year's fee of £16,170 to £18,325. In addition there are fees of £5,000 for IAS19 review work and further fees for going concern review work.

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.

**Human Resources implications and risks:**

None arising directly from this report

**Equalities implications and risks:**

None arising directly from this report