



## **Audit Committee Agenda**

Wyre Borough Council  
Date of Publication: 29 February 2016  
Please ask for : Carole Leary  
Democratic Services and Scrutiny  
Manager  
Tel: 01253 88748144

**Audit Committee meeting on Tuesday, 8 March 2016 at 6.00 pm  
in the Civic Centre, Poulton-le-Fylde**

1. **Apologies for absence**
2. **Declarations of interest**  
  
Members will disclose any pecuniary and any other significant interests they may have in relation to the matters under consideration.
3. **Confirmation of minutes** (Pages 1 - 4)  
  
To approve as a correct record Minutes of the last meeting of the Audit Committee held on 10 November 2015.
4. **Review of Audit Committee's Terms of Reference** (Pages 5 - 8)  
  
Report of the Corporate Director of Resources.
5. **Annual Internal Plan 2016/17** (Pages 9 - 12)  
  
Report of the Corporate Director of Resources.
6. **Certification of Claims and Returns Annual Report 2014/15** (Pages 13 - 14)  
  
Letter from the Council's External Auditors – KPMG.
7. **External Audit Plan 2015/16** (Pages 15 - 28)  
  
Report of the External Auditors – KPMG.
8. **Appointing your External Auditor (from 2018/19 onwards) -  
Presentation by the External Auditors - KPMG** (Pages 29 - 36)
9. **Periodic private discussion with head of internal audit**

**10. Time and Date of Next Meeting**

Tuesday 24 May 2016 at 6pm, in Committee Room 1.

## Audit Committee Minutes

Minutes of the meeting of the Audit Committee of Wyre Borough Council held on Tuesday 10 November, 2015 at the Civic Centre, Poulton-le-Fylde.

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### Audit Committee members present:

Councillor R Amos	Councillor Jones
Councillor Barrowclough	Councillor McKay
Councillor Fail	Councillor A Turner
Councillor Ingham	

**Apologies:** Councillors E Anderton, Ballard, Collinson, Greenhough, Holden, Moon and Wilson.

### Officers present:

P Davies – Corporate Director of Resources and Section 151 Officer  
J Billington – Head of Governance  
K McLellan – Senior Auditor  
C Leary – Democratic Services Officer

**Non-members present:** Councillor I Amos and J Burrows – Audit Senior Manager of KPMG.

**Members of the public present:** None.

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### **Audit. 29 WELCOME AND APOLOGIES OF ABSENCE**

The Chairman welcomed everyone to the meeting of the Audit Committee.

Apologies as detailed above.

### **Audit. 30 DECLARATIONS OF INTEREST**

None.

### **Audit. 31 CONFIRMATION OF MINUTES**

The minutes of the Audit Committee meeting held on Tuesday 22 September 2015 were confirmed as a correct record.

### **Audit. 32 REVIEW OF AUDIT COMMITTEE'S PERFORMANCE**

The Head of Governance explained, that the purpose of the report was to consider CIPFA's Self-Assessment of Good Practice, contained within the CIPFA publication "Audit Committees: Practical Guidance for Local Authorities and Police 2013" and to identify those actions necessary to meet best practice

guidance, ensuring the Audit Committee provides value to the authority.

The actions were noted and included a future one-to-one assessment with the Chairman and a request for feedback from the External Auditor. Jillian confirmed that as an Audit Committee the coverage is what they as auditors would expect to see. Whilst training and briefings for Audit Committee Members can always be improved, the opportunity to discuss relevant issues and challenge, should always be taken.

The Senior Management restructure, effective 1 July 2016 and the committee's relationship with the new S151 Officer and the Service Directors, were suggested areas for future consideration/focus.

The Head of Governance circulated a questionnaire for each Member of the committee to complete by 1 December 2015. The questionnaire sought to gather evidence of member's knowledge and experience. Members were encouraged to make a note of their own observations and identify any actions or learning opportunities which would be beneficial to the group.

**RESOLVED:** that CIPFA's Self-Assessment of Good Practice contained within the report, and those areas where further improvement is considered beneficial, be noted and agreed.

### **Audit. 33     INTERNAL AUDIT AND RISK MANAGEMENT – PROGRESS REPORT**

The Head of Governance introduced the report, which reviews progress in relation to Internal Audit and Risk Management and considered progress against the action plan, resulting from the 2014/15 Annual Governance Statement.

The Head of Governance took members through audit work performed from May to October 2015. Members asked for clarification of the priority rankings and discussed the overall audit opinion and the summary of each report. The Head of Built Environment was asked to attend the next meeting of the Audit Committee in March 2016, to discuss progress in relation to the Building Maintenance audit, rated 'fair'.

The Head of Governance referred to two Wyre Council reports missing from the section at the top of page 21, namely Council Tax Debt Recovery and Localised Council Tax Support and confirmed that to date, there had been no Whistleblowing calls. Members attention was drawn to those elected Members who had not completed "The FOCUS on Information Security eLearning Test" and Councillor Barrowclough and Cllr A Turner kindly offered to contact the members concerned.

The Senior Auditor updated members on the latest position with the Strategic Risk Register. In line with the Council's Risk Management Policy, the strategic risk register was reviewed every six months, with the most recent review being carried out on the 29 October 2015, with the Corporate Management Team. Karen informed members of the four risks above the appetite and the three risks below. Members were informed that those above the risk appetite have action plans prepared in order to manage the risk. Members were reminded that all the risk registers and action plans are available for members to view on the intranet.

**RESOLVED:**

1. That the three progress reports be noted.
2. That those members who have not yet completed the on-line training package – ‘Focus on Information Security’ be reminded of the need to do so.

**Audit. 34**     **ANNUAL REVIEW OF COUNCIL’S COUNTER FRAUD POLICIES – ANTI FRAUD, CORRUPTION AND BRIBERY, WHISTLE BLOWING, ANTI MONEY LAUNDERING AND GIFTS AND HOSPITALITY AND REGISTERING INTERESTS**

The Head of Governance introduced the report seeking the Committee’s approval of the Council’s Counter Fraud Policies, namely:

- Anti-Fraud, Corruption and Bribery;
- Whistleblowing;
- Anti-Money Laundering; and
- Gifts and Hospitality and Registering Interests.

The report demonstrates that the Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.

The Head of Governance highlighted the minor changes illustrated at paragraph 5 and asked Members to approve the policy documents.

**RESOLVED:**

1. That Members approve the Council’s Counter Fraud Policies, the Anti-Fraud, Corruption and Bribery, Whistleblowing, Anti-Money Laundering and Gifts and Hospitality and Registering Interests Policy, which are published on the Council’s intranet.

**Audit. 35**     **COMPLIANCE WITH THE REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)**

The Corporate Director of Resources introduced the report which identifies the authority’s use of RIPA since it was last considered at the Audit Committee in November 2014. Members are also required to undertake an annual review of the Council’s Policy.

Philippa informed Members that there had been no Council RIPA investigations since the last report.

Philippa informed Members that The Office of Surveillance Commissioners which oversees the use of covert surveillance by local authorities, carried out their three yearly inspection on 4 November 2015, and initial feedback seemed positive, although an action concerning social media was expected to follow in the formal report. She also informed Members that the Senior Responsible Officer and the three Authorising Officers had attended refresher training 30 September 2015 and requested that Members agree some minor updates in the revised policy.

**RESOLVED:**

1. That the Council's lack of use of its powers to conduct directed surveillance under the Regulation of Investigatory Powers Act 2000 since November 2014, be noted.
2. That the revised policy, reflecting minor amendments, be agreed.

**Audit. 36 ANNUAL AUDIT LETTER 2014/15**

Jillian Burrows, Senior Manager at KPMG, introduced the report, which summarised KPMG's key findings from the 2014/15 audit of Wyre Council.

The report reiterates that the Authority has proper arrangements in place for securing financial resilience and challenging how it secures economy, efficiency and effectiveness.

Jillian explained that their final fee for the 2014/15 audit of the Authority was £64,883 which is still in line with the planned fee. This was an increase of £900 from the position set out in their Audit Fee Letter for 2014/15, issued in May 2014, with the increase being due to additional work they were required to undertake on the collection fund balances, following the end of the requirement for us to certify the Authority's NNDR return.

**RESOLVED:** that the Annual Audit Letter for 2014/15 from the External Auditor's KPMG, be noted.

**Audit. 37 ITEMS FOR INFORMATION**

The Corporate Director of Resources referred to the Consultation on the 2016/17 Work Programme and Scales of Fees. The indicative fee for Wyre is £48,662, which is the same as 2015/16.

**RESOLVED:** that the proposed work programme and scale of fees for 2016/17, be noted.

Jillian also provided an update on the new arrangements for auditor appointments. The Council was required to have a plan of action in place by 31 December 2017, to appoint auditors for the 2018/19 financial year. There would need to be a tender process and an independent panel of members. A briefing note would be provided for the next meeting.

**Audit. 38 DATE AND TIME OF NEXT MEETING**

Audit Committee Meeting, Tuesday 8 March 2016 at 6pm in Committee Room 1.

The meeting started at 6pm and finished at 7.18pm

**Date of Publication: Thursday 19 November 2015**

arm/audit/mi/101115



Report of:	Meeting	Date	Item No.
Corporate Director of Resources (S151 Officer)	Audit Committee	8 March 2016	4

<h2 style="margin: 0;">Review of Audit Committee's Terms of Reference</h2>
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**1. Purpose of report**

1.1 The periodic consideration of the terms of reference of the Audit Committee in accordance with best practice guidance.

**2. Outcomes**

2.1 The annual review of the Audit Committee terms of reference.

**3. Recommendations**

3.1 That the Audit Committee considers the previously agreed terms of reference attached at Appendix 1 and that other than the one minor correction confirms that they accurately reflect the role of the committee.

3.2 That the new terms of references be recommended to the Council for approval.

**4. Background**

4.1 Good corporate governance requires independent, effective assurance about the adequacy of financial management and reporting. Indeed, the 'Delivering Good Governance in Local Government' 2012 guidance note recommends that local authorities review their governance arrangements against a number of key principles and report annually on their effectiveness. The guidance also reflects the requirement for local authorities to have an effective Audit Committee in place as part of their democratic structure.

4.2 In 2013 CIPFA re-issued their practical guidance for Audit Committees and provided local authorities with a suggested terms of reference setting out the purpose and the core functions required. The terms of reference states that 'The purpose of an Audit Committee is to provide those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes'.

- 4.3** Audit committees are currently not mandatory in local government although most authorities now have them. In response to guidance issued by CIPFA and recognising that an effective Audit Committee enhances public trust and confidence in the financial governance of an authority, the Council agreed the establishment of an Audit Committee at their meeting on 8 December 2005.

## 5. Key issues and proposals

- 5.1** At the last meeting of the Audit Committee, members considered the annual review of the committee's performance against the 'self-assessment of good practice' which is documented in CIPFA's 'Audit Committees – Practical Guidance of Local Authorities'. The self-assessment requires that an annual review of the Audit Committees' terms of reference be completed.
- 5.2** The current terms of reference are included for consideration at Appendix 1.

<b>Financial and Legal Implications</b>	
Finance	None arising directly from the report.
Legal	Any changes to the terms of reference would be subject to confirmation by full Council.

### Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

<b>risks/implications</b>	<b>✓ / x</b>
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

<b>risks/implications</b>	<b>✓ / x</b>
asset management	x
climate change	x
data protection	x

report author	telephone no	email	date
Joanne Billington	01253 887372	<a href="mailto:joanne.billington@wyre.gov.uk">joanne.billington@wyre.gov.uk</a>	10.02.16

<b>List of background papers:</b>		
name of document	date	where available for inspection

### List of appendices

Appendix 1 – Audit Committee Terms - Terms of Reference



## **Audit Committee - Terms of Reference**

### **7.01 Purpose**

Audit committees are a key component of an authority's governance framework. Their function is to provide an independent and high level resource to support good governance and strong public financial management.

The purpose of an audit committee is to provide those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and annual governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

The Audit Committee will have regard to relevant government guidance, the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) and any other relevant body and members shall receive training appropriate for this role.

### **Core Functions**

The Council will appoint an Audit Committee independent from both the Executive and the Overview and Scrutiny function and will have the following core functions;

- To be satisfied that the Council's Annual Governance Statement properly reflects the risk environment, any actions required to improve it and demonstrates how governance supports the achievement of the authority's objectives;
- In relation to the council's internal audit functions, the Audit Committee will oversee its independence, objectivity, performance and professionalism, support the effectiveness of the internal audit process and promote the effective use of internal audit. This will involve consideration of the annual audit plan, the receipt of regular reports detailing progress against the plan and the annual report;
- To review the risk profile of the organisation and consider the effectiveness of the council's risk management arrangements. This will involve monitoring the progress of embedding risk management, reviewing the council's risk registers and other assurances provided, ensuring that action is being taken where necessary to mitigate such risks;
- To monitor the effectiveness of the control environment, including arrangements for ensuring value for money and for managing the council's exposure to the risks of fraud and corruption. This will involve

maintaining and making changes where needed to the council's counter fraud policies;

- To consider the reports and recommendations of external audit, including the auditor's report to those charged with governance (ISA 260) on issues arising from the audit of the accounts;
- To review the financial statements, external auditors opinion and reports to members and to monitor management action in response to issues raised by External Audit;
- To support effective relationships between internal and external audit, inspection agencies and other relevant bodies and encourage the active promotion of the value of the audit process;
- To undertake the annual review of the council's use of the Regulation of Investigatory Powers Act 2000 (RIPA), ensuring compliance with the Code of Practice; and
- To maintain and make changes to the council's Financial Regulations and Financial Procedure Rules (without reference to full council).

arm/audit/cr/16/0803jb2



Report of:	Meeting	Date	Item No.
Corporate Director of Resources (S151 Officer)	Audit Committee	8 March 2016	5

<b>Annual Internal Audit Plan 2016/17</b>
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**1. Purpose of report**

1.1 To review the Annual Internal Audit Plan for the 2016/17 financial year.

**2. Outcomes**

2.1 An approved audit plan which takes account of the characteristics and relative risks of the Councils activities.

**3. Recommendation**

3.1 Members are asked to approve the Annual Audit Plan attached at Appendix 1.

**4. Background**

4.1 The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2015 require that a “relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.

4.2 Accordingly, internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisations operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve effectiveness of risk management, control and governance processes.

4.3 The agreement of an annual audit plan will assist the Authority to put in place an appropriate control environment and effective controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

## 5. Key issues and proposals

5.1 The Annual Audit Plan for the 2016/17 financial year is attached at Appendix 1.

<b>Financial and legal implications</b>	
Finance	Key financial system audits are subject to a full system based audit every two years, with the exception of VAT which is completed every 3 years.
Legal	This will ensure good governance and probity.

### Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

<b>risks/implications</b>	<b>✓ / x</b>
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

<b>risks/implications</b>	<b>✓ / x</b>
asset management	x
climate change	x
data protection	x

report author	telephone no.	email	date
Joanne Billington	01253 887372	<a href="mailto:joanne.billington@wyre.gov.uk">joanne.billington@wyre.gov.uk</a>	22.02.16

<b>List of background papers:</b>		
name of document	date	where available for inspection

### List of appendices

Appendix 1 – Annual Audit Plan 2016/17

arm/audit/cr/16/0803jb12

## Annual Audit Plan - 2016 / 17

Category of Audit	Total Days	Head of Governance	In House Days	Lancashire County Council Days	Mazars Days
<b>General / Meetings / Training / Non-Chargeable</b>					
Management	7	1	1	3	2
Audit Committee (Preparation of report / attendance at meetings)	20	15	5		
Research and Reading	13	10	3		
North West Audit Group Meetings	3	3			
Corporate Meetings / Senior Leadership Team Meetings / Team Briefs	28	20	8		
Annual / Quarterly Planning of Audit Work	2	2			
Training and Development (courses / seminars)	5	2	3		
Annual Governance Statement (preparation / monitoring)	5	5			
General Audit Advice and Liaison	20	5	15		
<b>Routine Monitoring</b>					
Email / Internet / Mobiles & Landlines	5	5			
Maintaining Gifts and Hospitality Register / Promotion	2	2			
<b>Audit Contingencies</b>					
Contingency for Investigations / Whistleblowing	30	10	20		
<b>IT Audits</b>					
PCI Compliance	10.5	0.5	10		
<b>Corporate / Cross Cutting Audits</b>					
Follow-up work from 2015/16 audit plan	21	1	20		
<b>Financial Systems Audits</b>					
NNDR	10.5	0.5		10	
Cash Receipting / PARIS	10.5	0.5		10	
Payroll / Expenses	10.5	0.5			10
Main Accounting	10.5	0.5			10

<b>Operational Audits</b>					
Crown Workforce Management System	20.5	0.5	20		
Marine Hall - Bar stock	5.5	0.5	5		
Crown Green Bowling / Pitch & Put - Income & Banking	5.5	0.5	5		
Money Laundering Checks - Payments in excess of £10,000	5.5	0.5	5		
Election Accounts	10.5	0.5	10		
Information Governance - Position Statement	5.5	0.5		5	
YMCA - Detailed Systems Audit	10.5	0.5	10		
Concessionary Leases	10.5	0.5	10		
Land Charges	10.5	0.5			10
Website Management - Accuracy of Data on BRIAN & Internet	10.5	0.5		10	
Compliance Work - FOI, Environmental Information Regulations & Equality Act	10.5	0.5	10		
Compliance to Financial Procedures Rules (rolled from 2015/16) - Procurement	20.5	0.5	20		
Position Statements of service areas for new Service Directors	10.5	0.5	10		
<b>Other Areas of Work</b>					
Risk Management (Strategic and Operational) - Collate Individual Service risks for new approach	25	5	20		
PSAS Review - Collation, Review and Moderation process	25	20	5		
Information Governance (Inc.data security / protection, Training, Records Management & FOI)	25	25			
Other Head of Governance Responsibilities	70	70			
Anti-Fraud & Corruption / Bribery Act (Development / Awareness & Monitoring)	15	10	5		
<b>GRAND TOTAL</b>	<b>510</b>	<b>220</b>	<b>220</b>	<b>38</b>	<b>32</b>

## **NB**

This plan is influenced by information contained within the Council's Risk Registers, Business Plan and the Council's Annual Governance Statement. Key financial systems are now subject to a full system based audit every two years, with the exception of VAT which is completed every 3 years. 70 audit days will be provided by Lancashire Audit Services and Mazars (38/32 retrospectively) and this will be supplemented by in-house audit skills.

**KPMG LLP**  
**Audit**  
1 St Peter's Square  
Manchester M2 3AE  
United Kingdom

Tel +44 (0) 161 246 4000  
Fax +44 (0) 161 246 4040

Philippa Davies  
Corporate Director of Resources and  
Section 151 Officer  
Wyre Borough Council  
Civic Centre  
Breck Road  
Poulton-le-Fylde  
FY6 7PU

Our ref Let-CP/2016/167

19 February 2016

Dear Philippa

### **Certification of claims and returns - annual report 2014/15**

Public Sector Audit Appointment requires its external auditors to prepare an annual report on the claims and returns it certifies for each client. This letter is our annual report for the certification work we have undertaken for 2014/15.

In 2014/15 we carried out certification work on only one claim/return, the Housing Benefit Subsidy claim. The certified value of the claim was £32,242,369, and we completed our work and certified the claim on 26 November 2015.

### **Matters arising**

Our certification work on Housing Subsidy Benefit claim did not identify any issues or errors and we certified the claim unqualified without amendment.

Consequently we have made no recommendations to the Authority to improve its claims completion process. There were no recommendations made last year and there are no further matters to report to you regarding our certification work.

### **Certification work fees**

Public Sector Audit Appointments set an indicative fee for our certification work in 2014/15 of £7,440. Our actual fee was the same as the indicative fee, and this compares to the 2013/14 fee for this claim of £7,568.

Yours sincerely



Tim Cutler  
Partner

This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website ([www.psaa.co.uk](http://www.psaa.co.uk)).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact Tim Cutler, the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to [andrew.sayers@kpmg.co.uk](mailto:andrew.sayers@kpmg.co.uk) After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk), by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.

arm/aud/cr/16/0803pd2 - Final Wyre BC Certification





# External Audit Plan 2015/16

Wyre Borough  
Council

February 2016

## Financial Statement Audit



There are no significant changes to the Code of Practice on Local Authority Accounting in 2015/16, which provides stability in terms of the accounting standards the Authority need to comply with.

### Materiality

Materiality for planning purposes has been based on last year's expenditure and set at £1.1 million.

We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance and this has been set at £55,000.

### Significant risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error have been identified as:

- Coast Protection Scheme

### Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding have been identified as:

- Staff costs;
- Valuation of tangible fixed assets;
- Pension costs and liabilities; and
- Non-pay expenditure.

**See pages 3 to 5 for more details.**

## Value for Money Arrangements work



The National Audit Office has issued new guidance for the VFM audit which applies from the 2015/16 audit year. The approach is broadly similar in concept to the previous VFM audit regime, but there are some notable changes:

- There is a new overall criterion on which the auditor's VFM conclusion is based; and
- This overall criterion is supported by three new sub-criteria.

Our risk assessment is ongoing and we will report VFM significant risks during our audit.

**See pages 6 to 8 for more details.**

## Logistics



Our team is:

- Tim Cutler – Partner
- Christopher Paisley – Audit Manager
- Ali-Jarar Shah – Assistant manager

More details are on **page 11**.

Our work will be completed in four phases from December to September and our key deliverables are this Audit Plan and a Report to those charged with Governance as outlined on **pages 10 and 12**.

Our fee for the audit is £48,662 (£64,883 2014/2015) see **page 9**.

## Background and Statutory responsibilities

This document supplements our Audit Fee Letter 2015/16 presented to you on 26 May 2015, which also sets out details of our appointment by Public Sector Audit Appointments Ltd (PSAA).

Our statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014 and the National Audit Office's Code of Audit Practice.

Our audit has two key objectives, requiring us to audit/review and report on your:

- *Financial statements (including the Annual Governance Statement):* Providing an opinion on your accounts; and
- *Use of resources:* Concluding on the arrangements in place for securing economy, efficiency and effectiveness in your use of resources (the value for money conclusion).

The audit planning process and risk assessment is an on-going process and the assessment and fees in this plan will be kept under review and updated if necessary.

## Acknowledgements

We would like to take this opportunity to thank officers and Members for their continuing help and co-operation throughout our audit work.

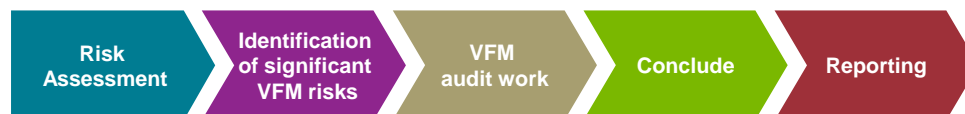
## Financial Statements Audit

Our financial statements audit work follows a four stage audit process which is identified below. Appendix 1 provides more detail on the activities that this includes. This report concentrates on the Financial Statements Audit Planning stage of the Financial Statements Audit.



## Value for Money Arrangements Work

Our Value for Money (VFM) Arrangements Work follows a five stage process which is identified below. Pages 6 to 8 provide more detail on the activities that this includes. This report concentrates on explaining the VFM approach for the 2015/16.



## Financial Statements Audit Planning

Our planning work takes place during December 2015 to February 2016. This involves the following key aspects:

- Risk assessment;
- Determining our materiality level; and
- Issuing this audit plan to communicate our audit strategy.

### Risk assessment

Professional standards require us to consider two standard risks for all organisations. We are not elaborating on these standard risks in this plan but consider them as a matter of course in our audit and will include any findings arising from our work in our ISA 260 Report.

- Management override of controls – Management is typically in a powerful position to perpetrate fraud owing to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Our audit methodology incorporates the risk of management override as a default significant risk. In line with our methodology, we carry out appropriate controls testing and substantive procedures, including over journal entries, accounting estimates and significant transactions that are outside the normal course of business, or are otherwise unusual.
- Fraudulent revenue recognition – We do not consider this to be a significant risk for local authorities as there are limited incentives and opportunities to manipulate the way income is recognised. We therefore rebut this risk and do not incorporate specific work into our audit plan in this area over and above our standard fraud procedures.

The diagram opposite identifies, significant risks and other areas of audit focus, which we expand on overleaf. The diagram also identifies a range of other areas considered by our audit approach.



Keys: ● Significant risk ● Other area of audit focus ● Example other areas considered by our approach



## Significant Audit Risks

Those risks requiring specific audit attention and procedures to address the likelihood of a material financial statement error.

### Coast Protection Scheme

- Risk: The Authority is the administrating body for a significant £63.2m coast protection scheme at Rossall. The scheme is fully grant funded from the Environment Agency. The Authority's capital programme (considered by Cabinet in February 2016) shows that £14.1m has been budgeted for the scheme in 2015/16 and £24.6m in 2016/17. This is 74% and 91% of the Authority's total capital programme in each year respectively. The scheme therefore involves significant transactions for the Authority, and such schemes are often complex, time consuming and at risk of significant year on year slippage.
- Approach: We will review the accounting treatment of the grant receipts and capital additions in relation to the scheme to ensure they are in line with the OSORP and any relevant grant conditions. In particular, we will consider the valuation basis for any material assets under construction and capital additions related to the scheme.

## Other areas of audit focus

Those risks with less likelihood of giving rise to a material error but which are nevertheless worthy of audit understanding.

### Pension costs and liabilities

- The Authority had a net pension liability of £38.7m as at 31 March 2015. The movements in this deficit are impacted by estimations made by the Authority's external actuarial specialists, Mercer.
- We will review and challenge the actuarial assumptions applied to the Authority's pension deficit as at 31 March 2016 using KPMG's own actuarial specialists.

### Valuation of tangible fixed assets

- There is an inherent uncertainty regarding the valuation of tangible fixed assets due to fluctuations and movements in the market value of the Authority's non-current assets.
- We will review the cyclical revaluation exercise completed by the Authority as at 31 March 2016, including challenging the assumptions made by the Estates valuation specialist. We will also review the Authority's assessment of impairment indicators relating to its estate.

### Staff costs

- Staff costs represent a significant proportion of the Authority's expenditure base. The disaggregated nature of pay expenditure transactions and the number of changes to Payroll data that take place during the year indicates that staff costs should be given specific audit focus.
- We will test the controls around changes to Payroll data, which impact directly on staff costs recognised in the financial statements, to confirm they have been operating effectively during 2015/16.

### Non-pay expenditure

- Non-pay expenditure is an area of audit focus because it is highly material to the users of the Accounts, and contains areas of management judgement in respect of, for example, accrued expenditure.
- We will perform testing over controls in place around the approval of non-pay expenditure. We will perform substantive testing of non-pay expenditure transactions in 2015/16, as well as conducting a high-level analytical review of non-pay expenditure by category.



## Materiality

We are required to plan our audit to determine with reasonable confidence whether or not the financial statements are free from material misstatement. An omission or misstatement is regarded as material if it would reasonably influence the user of financial statements. This therefore involves an assessment of the qualitative and quantitative nature of omissions and misstatements.

Generally, we would not consider differences in opinion in respect of areas of judgement to represent 'misstatements' unless the application of that judgement results in a financial amount falling outside of a range which we consider to be acceptable.

Materiality for planning purposes has been set at £1.1 million, which equates to approx. 2% of gross expenditure.

We design our procedures to detect errors in specific accounts at a lower level of precision.

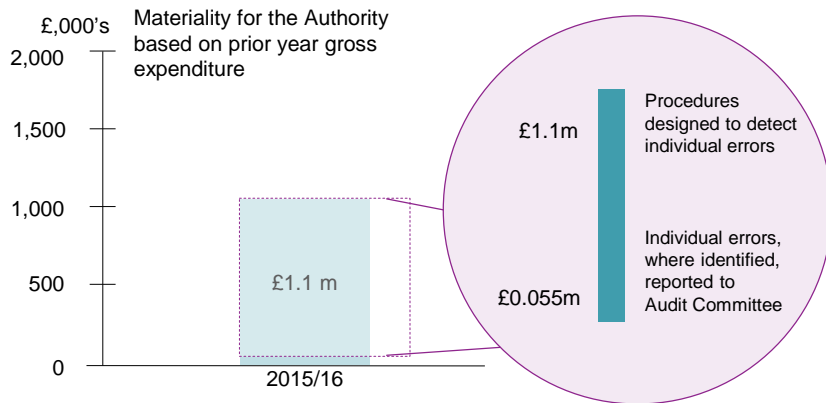
## Reporting to the Audit Committee

Whilst our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole, we nevertheless report to the Audit Committee any unadjusted misstatements of lesser amounts to the extent that these are identified by our audit work.

Under ISA 260(UK&I) 'Communication with those charged with governance', we are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. ISA 260 (UK&I) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria.

In the context of the Authority, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £55,000.

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit Committee to assist it in fulfilling its governance responsibilities.

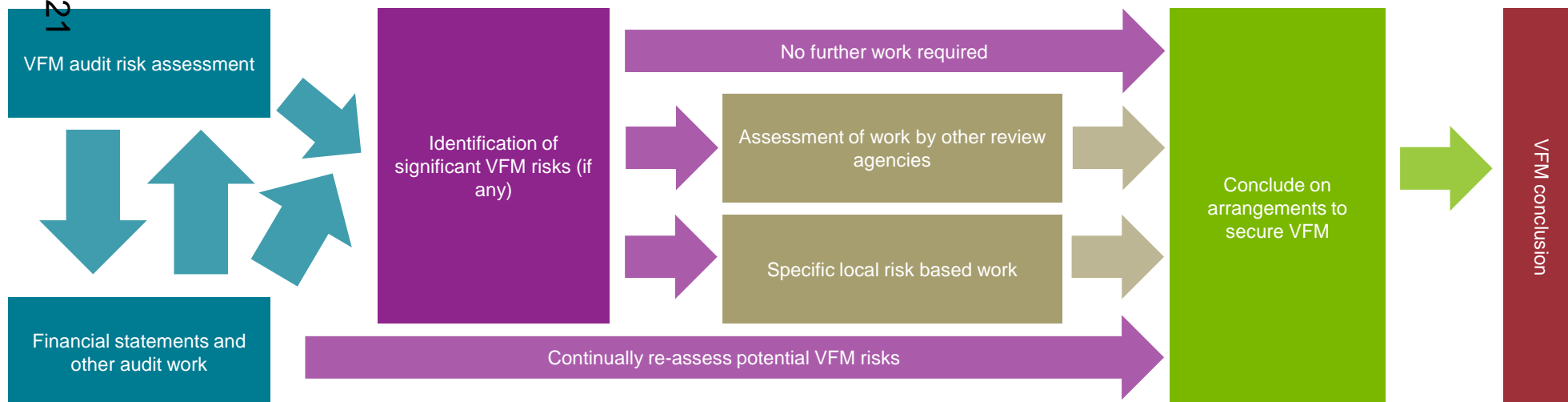
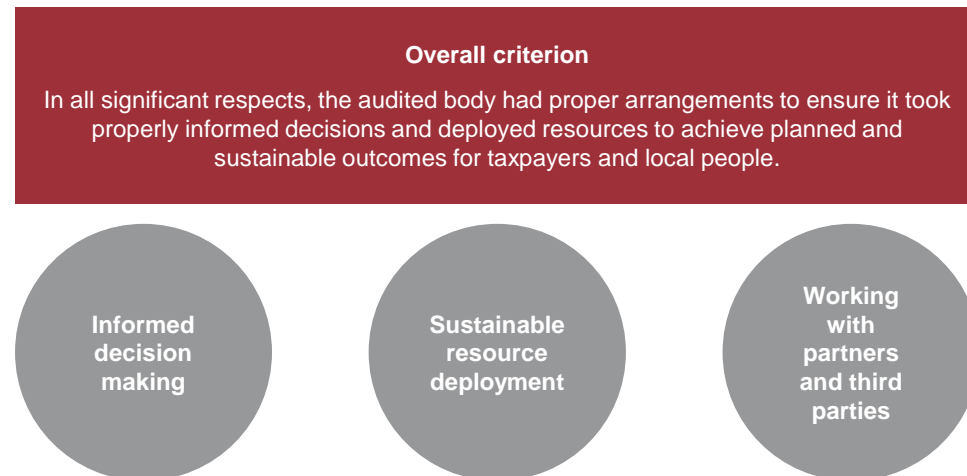


## Background to approach to VFM work

The Local Audit and Accountability Act 2014 requires auditors of local government bodies to be satisfied that the authority 'has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources'.

This is supported by the Code of Audit Practice, published by the NAO in April 2015, which requires auditors to 'take into account their knowledge of the relevant local sector as a whole, and the audited body specifically, to identify any risks that, in the auditor's judgement, have the potential to cause the auditor to reach an inappropriate conclusion on the audited body's arrangements.'

The VFM approach is fundamentally unchanged from that adopted in 2014/15 and the process is shown in the diagram below. However, the previous two specified reporting criteria (financial resilience and economy, efficiency and effectiveness) have been replaced with a single criteria supported by three sub-criteria. These sub-criteria provide a focus to our VFM work at the Authority. The diagram to the right shows the details of this criteria.





VFM audit stage	Audit approach
<b>VFM audit risk assessment</b>	<p>We consider the relevance and significance of the potential business risks faced by all local authorities, and other risks that apply specifically to the Authority. These are the significant operational and financial risks in achieving statutory functions and objectives, which are relevant to auditors' responsibilities under the <i>Code of Audit Practice</i>.</p> <p>In doing so we consider:</p> <ul style="list-style-type: none"> <li>■ The Authority's own assessment of the risks it faces, and its arrangements to manage and address its risks;</li> <li>■ Information from the Public Sector Auditor Appointments Limited VFM profile tool;</li> <li>■ Evidence gained from previous audit work, including the response to that work; and</li> <li>■ The work of other inspectorates and review agencies.</li> </ul>
<b>Linkages with financial statements and other audit work</b>	<p>There is a degree of overlap between the work we do as part of the VFM audit and our financial statements audit. For example, our financial statements audit includes an assessment and testing of the Authority's organisational control environment, including the Authority's financial management and governance arrangements, many aspects of which are relevant to our VFM audit responsibilities.</p> <p>We have always sought to avoid duplication of audit effort by integrating our financial statements and VFM work, and this will continue. We will therefore draw upon relevant aspects of our financial statements audit work to inform the VFM audit.</p>
<b>Identification of significant risks</b>	<p>The Code identifies a matter as significant '<i>if, in the auditor's professional view, it is reasonable to conclude that the matter would be of interest to the audited body or the wider public. Significance has both qualitative and quantitative aspects.</i>'</p> <p>If we identify significant VFM risks, then we will highlight the risk to the Authority and consider the most appropriate audit response in each case, including:</p> <ul style="list-style-type: none"> <li>■ Considering the results of work by the Authority, inspectorates and other review agencies; and</li> <li>■ Carrying out local risk-based work to form a view on the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources.</li> </ul>

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VFM audit stage	Audit approach
<p>Assessment of work by other review agencies</p> <p>and</p> <p>Delivery of local risk based work</p>	<p>Depending on the nature of the significant VFM risk identified, we may be able to draw on the work of other inspectorates, review agencies and other relevant bodies to provide us with the necessary evidence to reach our conclusion on the risk.</p> <p>If such evidence is not available, we will instead need to consider what additional work we will be required to undertake to satisfy ourselves that we have reasonable evidence to support the conclusion that we will draw. Such work may include:</p> <ul style="list-style-type: none"> <li>■ Meeting with senior managers across the Authority;</li> <li>■ Review of minutes and internal reports;</li> <li>■ Examination of financial models for reasonableness, using our own experience and benchmarking data from within and without the sector.</li> </ul>
<p>Concluding on VFM arrangements</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 23</p>	<p>At the conclusion of the VFM audit we will consider the results of the work undertaken and assess the assurance obtained against each of the VFM themes regarding the adequacy of the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources.</p> <p>If any issues are identified that may be significant to this assessment, and in particular if there are issues that indicate we may need to consider qualifying our VFM conclusion, we will discuss these with management as soon as possible. Such issues will also be considered more widely as part of KPMG's quality control processes, to help ensure the consistency of auditors' decisions.</p>
<p>Reporting</p>	<p>We will report on the results of the VFM audit through our ISA 260 Report. This will summarise any specific matters arising, and the basis for our overall conclusion.</p> <p>The key output from the work will be the VFM conclusion (i.e. our opinion on the Authority's arrangements for securing VFM), which forms part of our audit report.</p>

### Whole of government accounts (WGA)

We are required to review your WGA consolidation and undertake the work specified under the approach that is agreed with HM Treasury and the National Audit Office. Deadlines for production of the pack and the specified approach for 2015/16 have not yet been confirmed.

### Elector challenge

The Local Audit and Accountability Act 2014 gives electors certain rights. These are:

- The right to inspect the accounts;
- The right to ask the auditor questions about the accounts; and
- The right to object to the accounts.

As a result of these rights, in particular the right to object to the accounts, we may need to undertake additional work to form our decision on the elector's objection. The additional work could range from a small piece of work where we interview an officer and review evidence to form our decision, to a more detailed piece of work, where we have to interview a range of officers, review significant amounts of evidence and seek legal representations on the issues raised.

The costs incurred in responding to specific questions or objections raised by electors is not part of the fee. This work will be charged in accordance with the PSAA's fee scales.

### Our audit team

Our audit team will be led by Tim Cutler, who has been your Engagement Lead for a number of years. Further continuity is provided by your Audit Manager, Chris Paisley, who managed the financial statements audit in 2014/15. Jillian Burrows remains part of the team in an oversight role for the Audit Manager and Assistant Manager. We have also refreshed our team by introducing Ali-Jarar Shah as your Audit Assistant Manager. Appendix 2 provides more details on specific roles and contact details of the team.

### Reporting and communication

Reporting is a key part of the audit process, not only in communicating the audit findings for the year, but also in ensuring the audit team are accountable to you in addressing the issues identified as part of the audit strategy. Throughout the year we will communicate with you through meetings with the Finance team and the Audit Committee. Our communication outputs are included in Appendix 1.

### Independence and Objectivity

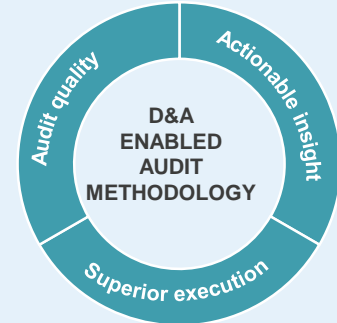
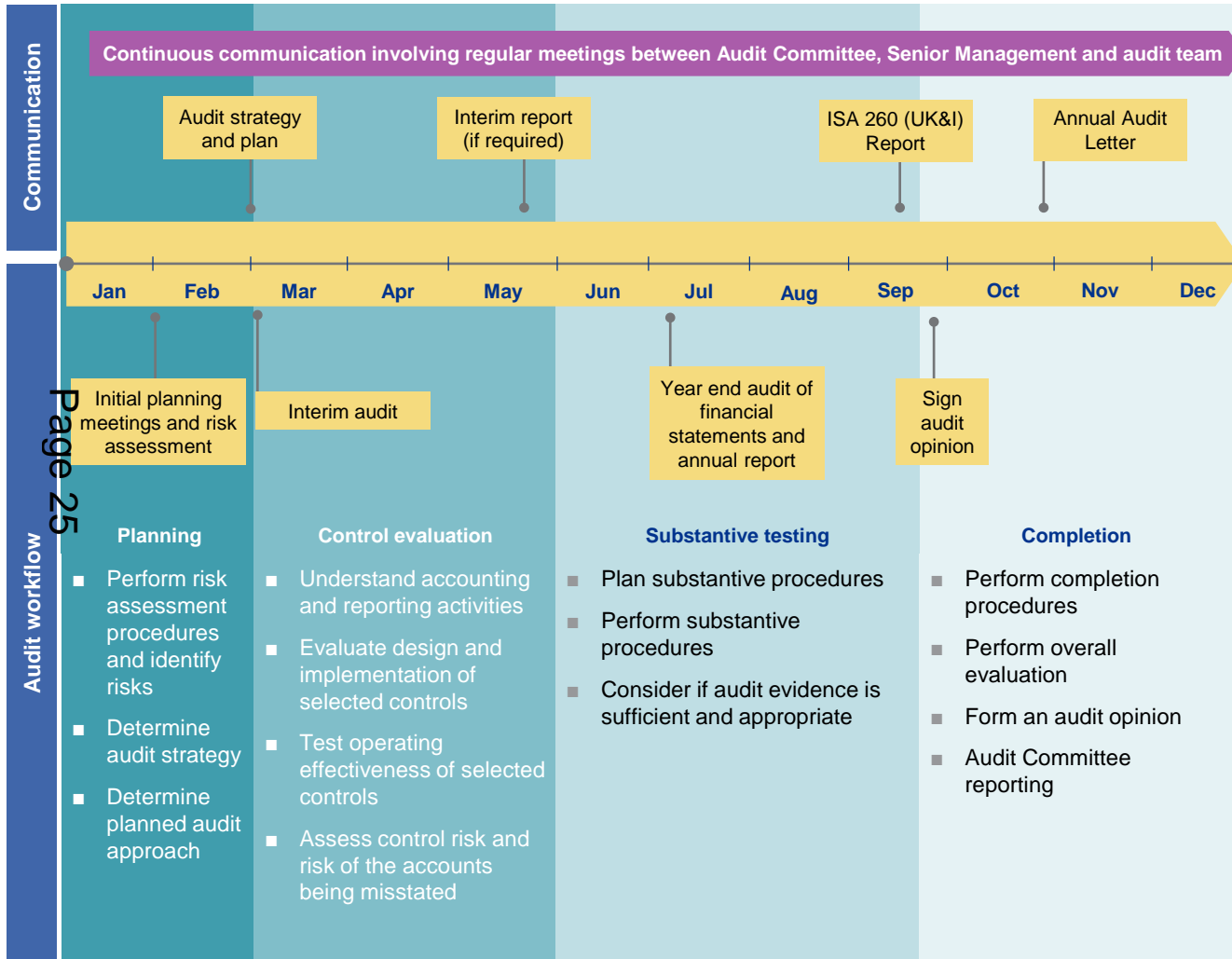
Auditors are also required to be independent and objective. Appendix 3 provides more details of our confirmation of independence and objectivity.

### Audit fee

*Our Audit Fee Letter 2015/2016* presented to you in May 2015 first set out our fees for the 2015/16 audit. This letter also sets out our assumptions. We have not considered it necessary to make any changes to the agreed fees at this stage, however the scale fee, set externally by PSAA, was updated after the presentation of the original fee letter in May 2015, to include a recurrent £900 fee for the audit of the financial statement disclosures relating to NNDR income.

The planned audit fee for 2015/16 is £48,662. This is a reduction in audit fee, compared to 2014/15, of £16,221 (25%). As noted above, the final fee for 2015/16 has been increased by £900 from the fee originally reported to you in May 2015.

Our audit fee includes our work on the VFM conclusion and our audit of the Authority's financial statements.



## Driving more value from the audit through data and analytics

Technology is embedded throughout our audit approach to deliver a high quality audit opinion. Use of Data and Analytics (D&A) to analyse large populations of transactions in order to identify key areas for our audit focus is just one element. We strive to deliver new quality insight into your operations that enhances our and your preparedness and improves your collective 'business intelligence.' Data and Analytics allows us to:

- Obtain greater understanding of your processes, to automatically extract control configurations and to obtain higher levels assurance.
- Focus manual procedures on key areas of risk and on transactional exceptions.
- Identify data patterns and the root cause of issues to increase forward-looking insight.

**We anticipate using data and analytics in our work around key areas such as accounts payable and journals. We also expect to provide insights from our analysis of these tranches of data in our reporting to add further value from our audit.**



Your audit team has been drawn from our specialist public sector assurance department. Your Engagement Partner and Audit Manager were both part of the Wyre Borough Council audit last year.



**Tim Cutler**  
*Partner*  
 0161 246 4774  
 tim.cutler@kpmg.co.uk

<b>Name</b>	Tim Cutler
<b>Position</b>	Partner
	<p>'My role is to lead our team and ensure the delivery of a high quality, valued added external audit opinion.</p> <p>I will be the main point of contact for the Audit Committee and Executive Directors.'</p>



**Chris Paisley**  
*Manager*  
 061 2464934  
 christopher.paisley@kpmg.co.uk

<b>Name</b>	Christopher Paisley
<b>Position</b>	Audit Manager
	<p>'I provide quality assurance for the audit work and specifically any technical accounting and risk areas.</p> <p>I will work closely with Tim Cutler to ensure we add value.</p> <p>I will liaise with the Director of Corporate Resources, Head of Finance and Head of Governance.</p>



**Ali-Jarar Shah**  
*Assistant Manager*  
 07342 087639  
 ali-jarar.shah@kpmg.co.uk

<b>Name</b>	Ali-Jarar Shah
<b>Position</b>	Assistant Manager
	<p>'I will be responsible for the on-site delivery of our work and will supervise the work of our audit assistants.</p> <p>I will also liaise with the Financial Services Manager and Internal Audit.'</p>

### Independence and objectivity

Professional standards require auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.

The standards define 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case this is the Audit Committee.

KPMG LLP is committed to being and being seen to be independent. APB Ethical Standard 1 Integrity, Objectivity and Independence requires us to communicate to you in writing all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

Further to this auditors are required by the National Audit Office's Code of Audit Practice to:

- Carry out their work with integrity, independence and objectivity;
- Be transparent and report publicly as required;
- Be professional and proportional in conducting work;
- Be mindful of the activities of inspectorates to prevent duplication;
- Take a constructive and positive approach to their work;
- Comply with data statutory and other relevant requirements relating to the security, transfer, holding, disclosure and disposal of information.

PSAA's Terms of Appointment includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:

- Auditors and senior members of their staff who are directly involved in the management, supervision or delivery of PSAA audit work should not take part in political activity.

- No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.
- Audit staff are expected not to accept appointments as Governors at certain types of schools within the local authority.
- Auditors and their staff should not be employed in any capacity (whether paid or unpaid) by an audited body or other organisation providing services to an audited body whilst being employed by the firm.
- Auditors appointed by the PSAA should not accept engagements which involve commenting on the performance of other PSAA auditors on PSAA work without first consulting PSAA.
- Auditors are expected to comply with the Terms of Appointment policy for the Engagement Lead to be changed on a periodic basis.
- Audit suppliers are required to obtain the PSAA's written approval prior to changing any Engagement Lead in respect of each audited body.
- Certain other staff changes or appointments require positive action to be taken by Firms as set out in the Terms of Appointment.

### Confirmation statement

We confirm that as of February 2016 in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Engagement Lead and audit team is not impaired.



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This report is addressed to the Authority and has been prepared for the sole use of the Authority. We take no responsibility to any member of staff acting in their individual capacities, or to third parties. We draw your attention to the Statement of Responsibilities of auditors and audited bodies, which is available on Public Sector Audit Appointment's website ([www.psaa.co.uk](http://www.psaa.co.uk)).

External auditors do not act as a substitute for the audited body's own responsibility for putting in place proper arrangements to ensure that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact [...], the engagement lead to the Authority, who will try to resolve your complaint. If you are dissatisfied with your response please contact the national lead partner for all of KPMG's work under our contract with Public Sector Audit Appointments Limited, Andrew Sayers, by email to [Andrew.Sayers@kpmg.co.uk](mailto:Andrew.Sayers@kpmg.co.uk) After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing [generalenquiries@psaa.co.uk](mailto:generalenquiries@psaa.co.uk) by telephoning 020 7072 7445 or by writing to Public Sector Audit Appointments Limited, 3rd Floor, Local Government House, Smith Square, London, SW1P 3HZ.





# Appointing your external auditor

## Background

In August 2010 the then Secretary of State for Communities and Local Government, Eric Pickles, announced that he intended to close the Audit Commission, the body that appointed external auditors to Local Government and NHS organisations (excluding Foundation Trusts). As part of this announcement, he also stated that organisations whose appointments were previously controlled by the Audit Commission should have the freedom to appoint their own external auditors.

The Audit Commission closed on 31 March 2015. At that time contracts were already in place for local government and NHS external audit appointments that covered audits up to and including the financial year 2016/17. Within these contracts there is an option to extend for a maximum of three further years, i.e. up to and including the financial year 2019/20.

A consultation exercise with key stakeholder groups has recently been concluded on whether, and if so for how long, to extend these contracts. The Government decided that for local government bodies the contracts will be extended by one year, so incorporating the audit of the 2017/18 financial year. Contracts for NHS bodies will not be extended.

## What does this mean for your organisation?

This decision means that you will assume the power to appoint your external auditor from the 2018/19 financial year onwards. This will be the first time you have made such an appointment. External auditors provide an important professional service and play a critical role in the stewardship of public spending, so it is vital that this new decision making power is exercised after careful consideration on how to proceed. Whilst you have different options open to you on how to approach this new power, you will need to comply with some specific requirements.



# Appointing your external auditor

## What should local authorities be considering?

In deciding what to do there are a number of considerations.

<b>Do your current external auditors provide you with a good service?</b>	If yes, do you need to change? If no, now you have an opportunity to do something about it.
<b>How could we procure an external audit service to ensure we get best value?</b>	<p>You will have a number of options on how and when to procure your external audit service – these are summarised later in this document.</p> <p>Given the range of options it will be important to consider the best approach for your organisation.</p>
<b>When do we need to do before we start a procurement process?</b>	The new regulations require you to have an Audit Panel, which will be responsible for recommending who your external auditor should be. This Panel must include a majority of independent (i.e. not elected) members and an independent chair. It makes sense for the Panel to have links with your audit committee.
<b>When do we need to undertake a procurement exercise?</b>	<p>The regulations require you to have appointed your external auditor by 31 December in the year preceding the year of audit. As 2018/19 is the first year of these new arrangements, you will need to have appointed your auditor by 31 December 2017.</p> <p>You will need to undertake whatever procurement process you follow in good time – sometime between the Spring and Autumn of 2017. And before doing that you will need to have established your Audit Panel – by early 2017 would be sensible.</p>
<b>Who can I appoint to be our external auditor?</b>	You will only be able to appoint an audit firm that has been authorised by the ICAEW to undertake ‘local audit work’. Local government auditing is highly specialised and you will need to ensure that your auditor has the necessary capability, experience and capacity to fulfil the statutory duties of a local government auditor.

# Appointing your external auditor

## Procurement options

Although local government bodies will all assume the same power to appoint their external auditor, it is likely that various options will be followed on how they go about doing this. The main options are set out below.

<b>Re-appoint incumbent auditor</b>	One option might be to continue with your current audit provider for a short period, say between one and three years. This would delay testing the market, although you could benchmark proposed fees for reasonableness against published data or by comparing to similar bodies. This would provide stability of service in the short term and also avoid the 'rush to market' as large numbers of local authorities undertake procurement exercises within a short period of time, allowing you to procure later in a more settled audit market.
<b>Stand-alone tendering</b>	As with any other service, you could run your own procurement process. This allows complete autonomy over how and when you want this to be done, although you will need to ensure you follow the Regulations and consider any guidance issued by DCLG or other relevant bodies. However, you should consider whether you will have sufficient purchasing power on your own to obtain best value.
<b>Combined procurement</b>	You could join together with one or more neighbouring authorities to undertake a collective procurement exercise. This would enhance your purchasing power, but would diminish your autonomy over the process and you would need to consider how to retain sufficient sovereignty over decision making and whether this might complicate auditor independence considerations.
<b>Existing frameworks</b>	You could use one of the many existing government or public sector frameworks. These list firms who have already been shortlisted and therefore might speed up the process. You will need to ensure that the firms on any framework have been authorised by the ICAEW for local audit work, however.
<b>Sector led procurement</b>	The new audit legislation allows for a sector-led body (referred to as a 'specified person' in the Regulations) to undertake a bulk procurement process. If such an organisation emerges then this option provides an administratively easy route and would most likely have the greatest element of specialist audit procurement expertise. It would also provide good purchasing power, although with less autonomy than some other options, and might afford easier management of potential auditor independence issues than other combined procurements approaches. It will be the most similar option to the current arrangements.

# Appointing your external auditor

## What other factors should you consider?

When you are deciding who to appoint as your external auditor you will need to consider a range of factors. Key areas to consider are as follows:

- **Quality:** This is a vital consideration and should be appropriately weighted in any scoring methodology for assessing tenders. Relevant considerations include audit methodologies, systems and processes, staff training and expertise, and quality monitoring arrangements.
- **Experience:** Local government auditing is a specialist business and your auditor must have the necessary skills and sector experience. This is not just about understanding local authority financial reporting, but extends into auditors' value for money audit responsibilities and 'challenge' work.
- **Independence:** You will need to consider possible relationships with audit firms via non-audit work such as consultancy and tax advice. Independence is also an important mind-set for auditors to adopt, where you should be satisfied that your future auditor will be sufficiently challenging (and your current auditor should not be constrained in exercising their duties by any tendering process).
- **Organisational fit:** As with any service it is important to consider how the people you see in the audit team fit with your own organisational culture – i.e. can you work with these people.
- **Price:** Like any other out-sourced service you need to obtain good value through a competitive audit fee. However, best value does not mean the cheapest quote. The fee must be sufficient to provide a good quality service taking account of the scale, nature and risk profile of your organisation, and also the requirement for your external auditor to comply with auditing standards and other statutory duties.
- **Other services:** Although ethical standards provide limitations, you should consider what other services you might want your auditor to perform, whether that is other assurance services (e.g. certifying grant claims) or more added-value services.

# Appointing your external auditor

## What next?

There is still plenty of time before you appoint your external auditor for the first time, but there will be a long lead up to that decision. It is therefore important to think about how your organisation should approach this in good time. We would suggest that you should be developing your procurement strategy and selecting your preferred approach during 2016.

It is likely that further guidance and support will be issued by DCLG, and potentially other organisations such as CIPFA, to help you with the decisions you need to make and how you proceed. We will continue to update you on key developments.

If you want to discuss this further please contact your audit Engagement Lead, Tim Cutler.

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### Contact



**Tim Cutler**  
*Partner, KPMG LLP*  
Public Sector Audit  
1 St Peter's Square, Manchester  
M2 3AE  
Tel: +44 (0) 161 246 4774  
Email: [tim.cutler@kpmg.co.uk](mailto:tim.cutler@kpmg.co.uk)



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