

South Northamptonshire Council

Audit Committee

19 September 2019

External Audit – Annual Audit Opinion 2018/19

Report of the Executive Director, Finance

This report is public

Purpose of report

To receive a draft report setting out the External Audit Opinion for 2018/19.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the draft External Audit Opinion (ISA260) for 2018/19 from our External Auditors, Ernst & Young (EY).

2.0 Introduction

- 2.1 Attached at Appendix 1 is the draft External Audit Opinion 2018/19 which outlines the work undertaken to audit the Statement of Accounts and the overall opinion for 2018/19.
- 2.2 This Audit Opinion is not yet final as there are a few areas of work outstanding as set out in Appendix C to the Opinion. Most significant is the delay to receiving IAS19 assurance in relation to the Northamptonshire Pension Fund. EY are not able to audit the Pension Fund for 2018/19 until the Northamptonshire County Council accounts for 2017/18 have been signed off by KPMG.
- 2.3 A final report will be issued once these outstanding areas are complete.

3.0 Report Details

- 3.1 External Audit undertakes its work in line with the Local Audit and Accountability Act 2014, the National Audit Office's 2015 Code of Audit Practice, the Statement of Responsibilities issued by Public Sector Audit Appointments Ltd and auditing standards.

- 3.2 The Audit Opinion (ISA260) sets out the methodology, approach and timescales that EY have taken in relation to undertaking the work required for the audit of the Statement of Accounts 2018/19.
- 3.3 The draft Audit Opinion sets out the overall assessment of the Statement of Accounts produced. The Statement of Accounts for 2018/19 has been prepared in line with the earlier timescales as required and represents significant improvements for the Council in preparing these accounts. However, the audit was delayed until August due to Ernst & Young's resource constraints.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The opinion sets out the assessment of External Audit for 2018/19.

5.0 Consultation

None

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: The committee may seek additional information from the external auditors (EY) and officers.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report.

Comments checked by:

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Legal Implications

- 7.2 There are no legal implications arising directly from this report.

Comments checked by:

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Risk Management Implications

- 7.3 There are no risk implications arising directly from any outcome of this report.

Comments checked by:

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8.0 Decision Information

Wards Affected

All wards are affected

Links to Corporate Plan and Policy Framework

All corporate plan themes.

Lead Councillor

None

Document Information

Appendix No	Title
Appendix 1	External Audit Opinion (ISA260) 2018/19
Background Papers	
None	
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