



Committee and Date

West Mercia Energy Joint
Committee

26 February 2019

Item

8

Public

EXTERNAL AUDIT PLAN 2018/19

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 2018/19 for consideration and approval.

2. Recommendations

It is recommended that the Joint Committee:

- 2.1 approve the draft audit plan for 2018/19 as presented by Grant Thornton
- 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.

4. Financial Implications

- 4.1 The quoted audit fee for 2018/19 is £13,500, an increase of £500 on the £13,000 in 2017/18. The fee has remained at £13,000 since 2015/16 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 page 3 of the proposal and in more detail on pages 4 and 5.
- 5.3 Grant Thornton will conduct their main audit work on the WME accounts for 2018/19 in July and will bring their report to the September Joint Committee.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Joint Committee 28 September 2015 – Local Audit and Accountability Act 2014

Member

Councillor A Hardman of Worcestershire County Council (Chair of the Joint Committee)

Appendices

Appendix A - Grant Thornton Audit Plan for West Mercia Energy (year ended 31 March 2019)