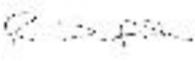


Report to:	Audit & Governance Committee	Date:	18 June 2020
Report title:	External Audit Plan 2019/20		
Report from:	Richard Simpson, Strategic Director - Resources		
Ward/Areas affected:	Borough Wide		
Chair of Committee/Lead Member:	Councillor Sam Weatherlake		
Author(s)/Contact Number(s):	Victoria Goddard, Assistant Director of Finance, 020 8457 5571		
Corporate Plan Priorities:	<ul style="list-style-type: none"> ● Being Active ● Making Informed Choices ● Living Well Independently ● Keeping People Safe 		
Open/Exempt:	Open		
Signed:		Date:	2 June 2020

1. Summary

- 1.1 The statutory Audit of the London Borough of Sutton for 2019/20 is underway and this report gives an update of progress on the interim audit visit and full audit planned to begin in July 2020.
- 1.2 At the time of this report the external Auditors have not identified any errors or issues to report from the interim audit work. The Covid 19 pandemic and response have presented new risks to Councils that will require the auditors to consider a revised approach to some elements of the planned audit. The plan has been updated to provide a greater focus on assessing the reasonableness of valuations and estimates made in the financial statements, and to ensure sufficient analysis is undertaken to assess the 'going concern' principle. The amended plan is provided at Appendix A.

2. Recommendations

- 2.1 To note the progress made by the external Auditor and the revised external audit plan for 2019/20.

3. Background

- 3.1 The external Auditors began their audit work as part of a two week interim visit in February 2020. A number of samples from periods 1 - 10 were tested and no major issues or concerns were identified.

- 3.2 The Council has been in discussions with the auditors since the beginning of the lockdown period in March, to plan for undertaking an audit remotely and to consider what adjustments may be needed to ensure the audit appropriately assesses the risks that the pandemic may pose to the Council's financial position.
- 3.3 The auditors have identified the areas most likely to be impacted by the pandemic and associated economic impact are asset valuations and financial sustainability ('going concern' assessment). The audit plan has therefore been revised to put greater emphasis on these areas taking into account sector wide guidance developed by Grant Thornton.
- 3.4 The entire finance team is currently working remotely and are able to provide all financial statements and working papers to the auditors without face to face contact. Grant Thornton are confident that the majority of the audit review can be completed remotely and that any face to face contact will be minimal, and if required will be undertaken using social distancing measures.
- 3.5 The statutory deadline by which the Council must complete the draft accounts has been moved from the end of May, to the end of August. We are currently aiming to have a first draft available slightly earlier than this deadline, with a target completion date of 30 June 2020.
- 3.6 The statutory deadline for the completion of the external audit and publication of the final statements and auditor's opinion has been moved from the end of July to the end of September. The audit will begin in July and the final accounts and auditor's opinion will be presented to the committee for approval at the September meeting.

4. Issues

- 4.1 None

5. Options Considered

- 5.1 Not applicable

6. Impacts and Implications

Financial

- 6.1 There are no financial implications arising from this report.

Legal

- 6.2 There are no legal implications arising from this report.

7. Appendices and Background Documents

Appendix letter	Title
A	External Audit Plan

Background documents
None

Audit Trail		
Version	Final	Date: 2 June 2020
Consultation with other officers		
Finance	No	N/A
Legal	No	N/A
Equality Impact Assessment required?	No	N/A

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