

## Rother District Council

<b>Report to:</b>	Audit and Standards Committee
<b>Date:</b>	20 June 2022
<b>Title:</b>	2021/22 Statement of Accounts – Audit Planning Risk Assessment
<b>Report of:</b>	Antony Baden – Chief Finance Officer
<b>Purpose of Report:</b>	To consider whether the management responses relating to the 2021/22 Audit Planning Risk Assessment as shown in Appendix A are consistent with Members' own understanding
<b>Officer</b>	
<b>Recommendation(s):</b>	It be <b>RESOLVED:</b> That Members confirm that the management responses in Appendix A are in line with their own understanding.

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### Introduction

1. The Council's external auditors Grant Thornton (GT) are required to adopt International Standards in Auditing (ISA) when completing their work. This ensures that the Council receives value for money and high-quality audit outcomes. Auditing standard ISA 540 was revised in December 2018 to provide auditors with more robust guidance aimed at increasing audit quality. It requires auditors to scrutinize more closely defined areas of risk.
2. In order to comply with the revised standard GT requested information on certain management processes and the oversight of those processes by the Audit and Standards Committee (A&S). For the 2021/22 accounts audit the Council has provided this information in the form of a completed questionnaire. The responses are shown in Appendix A.

### Those Charged With Governance (TCWG)

3. The term 'Those Charged With Governance' refers to those individuals within an organisation who have responsibility for the oversight of certain processes and controls, including the external audit process. In this context it refers to the A&S.
4. A key requirement of IAS 540 requires the auditors to confirm that the management responses included Appendix A are consistent with the understanding of TCWG. The input from TCWG on the Planning Risk Assessment needs to be evidenced by the auditors to inform their work on the 2021/22 accounts audit.

## Management Responses

5. As part of their risk assessment procedures GT are required to obtain an understanding of the Council's management processes and oversight of the following areas:
  - a. General enquiries of Management
  - b. Fraud
  - c. Laws and Regulations
  - d. Related Parties
  - e. The Council as a Going Concern
  - f. Accounting Estimates
6. Appendix B includes a range of questions asked in respect of the areas shown above and the management responses to them. TCWG are requested to consider whether the responses are consistent with their own understanding.

## Corporate Management Team Comments

7. The A&S is recommended to confirm that the management responses in Appendix A are in line with their own understanding.

## Conclusion

8. The investment activity conforms to the approved strategy and the Council has no liquidity difficulties.

## Financial Implications

9. The financial implications are those associated with the 2021/22 Statement of Accounts and are detailed in the report.

Other Implications	Applies?	Other Implications	Applies?
Human Rights	No	Equalities and Diversity	No
Crime and Disorder	No	Consultation	No
Environmental	No	Access to Information	No
Sustainability	No	Exempt from publication	No
Risk Management	No		

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Appendices:	Appendix A – Management Responses – Areas of Risk Assessment
Relevant Previous Minutes:	None
Background Papers:	None
Reference Documents:	None