

Rother District Council

Report to:	Audit and Standards Committee
Date:	19 June 2023
Title:	2022/23 Statement of Accounts – Audit Planning Risk Assessment
Report of:	Duncan Ellis – Interim Deputy Chief Executive
Purpose of Report:	To consider whether the management responses relating to the 2022/23 Audit Planning Risk Assessment as shown in Appendix A are consistent with Members' own understanding
Officer	
Recommendation(s):	It be RESOLVED : Members confirm that the management responses in Appendix A are in line with their own understanding

Introduction

1. The Council's external auditors (Grant Thornton) must 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 scrutinise more closely defined areas of risk.
2. To comply with the revised standard Grant Thornton requested information on certain management processes and the oversight of those processes by the Audit and Standards Committee (ASC). For the 2022/23 accounts audit the Council has provided this information in the form of a completed questionnaire. The responses contained in Appendix A.

Those Charged with Governance (TCWG)

3. The term 'Those Charged with Governance' (TCWG) 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 Audit and Standards Committee.
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 2022/23 accounts audit.

Management Responses

5. As part of their risk assessment procedures Grant Thornton must 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 A includes a range of questions asked in respect of the areas shown above and the management responses to them. TCWG must consider whether the responses are consistent with their own understanding.

Conclusion

7. The details provided within Appendix A show the management responses to the clarifications and assurances requested from the external auditors and reflect the current position in relation to the 2022/23 final accounts.
8. It is recommended that the ASC confirm that the management responses in Appendix A are in line with their own understanding.

Financial Implications

9. The financial implications are those associated with the 2022/23 Statement of Accounts contained within the appendix.

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

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Appendices:	A Informing the audit risk assessment for Rother District Council 2022/23
Relevant Previous Minutes:	N/A
Background Papers:	N/A.
Reference Documents:	N/A