

# AUDIT COMMITTEE

## External Audit – Lancaster City Council Audit Plan 2020/21

### Report of Chief Finance Officer

23 March 2022

#### PURPOSE OF REPORT

The report sets out the External Auditors plan for the audit of the Statement of Accounts 2020/21

**This report is public**

#### RECOMMENDATION

It is recommended that the Audit Committee:

1. **Notes the Lancaster City Council Audit Plan for 2020/21, as presented, and raise any issues, clarifications, and questions with the external auditor.**

#### 1.0 INTRODUCTION

- 1.1 External Audit provides assurance as to the effectiveness of the council's accounting and financial management arrangements and through these supports the council in its work to deliver its priorities and objectives.
- 1.2 The Audit Committee has a key role to ensure control and risk management arrangements are effective and this report is made consistent with that responsibility.

#### 2.0 THE AUDIT PLAN

- 2.1 Appendix A to this report sets out the Lancaster City Council Audit Plan provided by the Council's external auditors, Deloitte, for the year ending 31 March 2021.
- 2.2 The auditors are required to perform the audit in line with the Local Audit and Accountability Act 2014 and in accordance with the Code of Practice issued by the National Audit Office.
- 2.3 Plan sets out a number of areas for the Committee's consideration, including the approach to the audit, the concept of materiality, risks, value for money, key dates and fee.
- 2.4 Representatives of Deloitte will introduce and explain the documents in the Appendices at the Committee meeting and will be able to answer any questions that Members may have on their contents

#### 3.0 DETAILS OF CONSULTATION

- 3.1 The reports have been discussed with finance officers of the Council

#### 4.0 OPTIONS AND OPTIONS ANALYSIS

- 4.1 Not applicable the Plan is for noting and so no further options are presented

**CONCLUSION OF IMPACT ASSESSMENT**  
**(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)**

Not Applicable

**FINANCIAL IMPLICATIONS**

The fee for the audit is set by Public Sector Audit Appointments at £44,959 and has been included in the 2020/21 budget.

**SECTION 151 OFFICER'S COMMENTS**

External audit is a statutory function required by the Local Audit and Accountability Act 2014. The fee for the audit is set by the Public Sector Audit Appointments at £44,959 and as noted with the plan this does not include any additional work incurred by the Auditors in addressing the objections to the Statement of Accounts

**LEGAL IMPLICATIONS**

S21 (1) of the Local Government Finance Act 2003 (the Act) provides that the Secretary of State by regulation may make provision about accounting practices to be followed by a local authority. The Secretary of State may also, pursuant to subsection (1A) of the Act issue guidance about the accounting practices to be followed by a local authority. Lancaster City

Council, pursuant to s21 (1B) must have regard to any guidance issued under subsection (1A).

Pursuant to s 21 (2) of the Act, where legislation to which s21 of the Act applies references 'proper practices', in relation to local authority accounts, this means the accounting practices which the local authority is required to follow by virtue of an any enactment or which are contained in a code of practice or other document which is identified for the purposes of s21 by regulations made by the Secretary of State.

The CIPFA Code of Practice on Local Authority Accounting in the United Kingdom is a code of practice identified by regulations made by the Secretary of State (Regulation 31 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003).

This report and the Accounting policies referred to meet the Council's obligation to comply with the Code of Practice

**MONITORING OFFICER'S COMMENTS**

The Monitoring Officer has been consulted and has no comments to make on this report.

**BACKGROUND PAPERS**

Appendix 1 – External Audit – Lancaster City Council Audit Plan 2020/21

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