

Report of the External Auditor

Informing the Audit Risk Assessment

Introduction and Summary

This report covers some important areas of the auditor risk assessment where we are required to make enquiries of management and the Audit and Standards Committee, as Those Charged With Governance, under auditing standards. The report covers some key aspects of our risk assessment:

- general enquiries of management
- fraud
- laws and regulations
- going concern
- accounting estimates
- related parties.

For each of these areas there are a series of questions and a management response. We are satisfied that the responses are consistent with our expectations and they do not present any additional risks to our work. Having a good understanding of the controls and processes in place in these areas enables us, in a number of areas, to reduce the amount of work we would otherwise have to undertake. For example, we are able to rebut the presumed significant risk around fraudulent recognition of revenue and reduce the amount of work we would need to complete on related parties.

We will work with your officers to understand the impact of changes to the Code on the accounts production and audit work. We will also need to undertake some work to assure ourselves that appropriate systems, processes and controls remain in place while people are working remotely, and to modify our audit approach as required.

Recognising that Members have less detailed knowledge of the systems and processes than the officers who prepared the responses, we ask that Members raise and notify us of any errors or omissions they are aware of. Otherwise the report is simply for noting.

Introduction & Background

1. The purpose of this report is to make Members aware of the Audit Risk Assessment carried out by Grant Thornton UK LLP, the Authority's External Auditor, in deriving the External Audit Plan in respect of the 2019/20 Accounts.
2. In setting out the Audit Plan, Grant Thornton takes a risk-based approach to audit planning.
3. The attached report contains details of the identified risks, both generic and specific, and the relevant management responses.

Conclusion

4. There are no specific risks highlighted that are abnormal, or which cause the Treasurer or External Auditor particular concern.