

SOUTH HOLLAND DISTRICT COUNCIL

Report of: Executive Director Commercialisation (S151 Officer)
To: Governance and Audit Committee 3 March 2016
(Author: Ken Trotter – Interim Chief Accountant)
Subject: Audit Mandatory Inquiries
Purpose: To confirm the response to the external audit mandatory inquiries

Recommendation:

- 1) To approve the response to the external audit mandatory inquiries

1.0 BACKGROUND

1.1 In order to comply with a number of International Standards of Auditing, external auditors are required to obtain an understanding on how those charged with governance exercise oversight of management's processes in relation to fraud, laws and regulations and going concern. To assist this work, which forms part of the annual audit, the external auditor issues a number of questions to those charged with governance. This year's focus is on fraud and significant unusual transactions.

1.2 Appendix A sets out the inquiries to those charged with governance. It has been pre-populated to a large extent where possible following discussion with the Section 151 Officer and Internal Audit. However one question on fraud asks for an opinion, therefore it would be inappropriate to pre-empt the Committee's response.

1.3 Members are asked to consider these responses and to be satisfied that they correspond to the committee's own view of affairs, or whether the responses require modification.

2.0 OPTIONS

2.1 To approve the responses to the mandatory inquiries so that they can be issues to the external auditor.

2.2 To make amendments to the responses so that these can be issued to the external auditor.

3.0 REASONS FOR RECOMMENDATION(S)

3.1 It is good practice for a collective view to be formed as this promotes good corporate governance arrangements.

4.0 EXPECTED BENEFITS

4.1 This demonstrates the role that the Governance and Audit Committee has at the centre of the Council's governance arrangements.

5.0 **IMPLICATIONS**

5.1 **Corporate Priorities**

- 5.1.1 The Governance and Audit Committee, through its terms of reference, helps to ensure that the service areas and risks reported are working towards the efficient and effective delivery of the Council's corporate priorities.

5.2 **Risk Management**

- 5.2.1 The Committee supports the oversight of the Council's risk management framework, which will in turn ensure that the Council's key risks are reviewed and addressed. This is ensured by following best practice and adopting sound terms of reference.

6.0 **WARDS/COMMUNITIES AFFECTED**

- 6.1 All

7.0 **ACRONYMS**

- 7.1 None

Background papers: - None

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Key Decision: No

Exempt Decision: No

This report refers to a Mandatory Service

Appendices attached to this report:

Appendix A Inquiries to those charged with governance.