



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	AUDIT AND GOVERNANCE COMMITTEE – 25 JANUARY 2024
Subject	INFORMING THE AUDIT RISK ASSESSMENT – EXTERNAL AUDIT ASSURANCE
Wards affected	ALL
Accountable member	Councillor Mike Evely, Deputy Leader of the Council and Cabinet Member for Finance. Email: mike.evely@Cotswold.gov.uk
Accountable officer	David Stanley, Deputy Chief Executive and S151 Officer Email: david.stanley@cotswold.gov.uk
Report author	Michelle Burge, Chief Accountant Email: democratic@cotswold.gov.uk
Summary/Purpose	To consider proposed management responses to the external auditor's questions to inform their assessment of risk to underpin the audit of the statement of accounts for the year ended 31 March 2023.
Annexes	Annex A – Informing the Audit Risk assessment for Cotswold District Council 2022/23
Recommendation(s)	That the Audit and Governance Committee resolves to: <ol style="list-style-type: none">1. Confirm their understanding of and agreement with the responses provided by management to the auditors in Annex A.2. Make any further comments or observations in respect of any of the areas set out in Annex A known to the auditors.
Corporate priorities	Deliver the highest standard of service
Key Decision	NO
Exempt	NO
Consultees/ Consultation	Deputy Chief Executive, Monitoring Officer, Chief Executive, Head of Counter Fraud, SWAP Internal Audit.



1. BACKGROUND

- 1.1 Each year, as part of the audit planning process, the Council's external auditor is required to obtain an understanding of management processes and the Council's oversight of the following areas:
- General enquiries of management
 - Fraud
 - Laws and Regulations
 - Related Parties
 - Going Concern; and
 - Accounting Estimates.
- 1.2 **Annex A** includes a number of detailed questions in respect of the areas outline above and the Council's proposed response to the questions posed by the Council's external auditor, Grant Thornton LLP.

2. EXECUTIVE SUMMARY

- 2.1 Each year, ahead of the commencement of the external audit fieldwork, the external auditor will raise a series of questions with management to inform their assessment of risk and to contribute towards a form of two-way communication with those charged with governance.
- 2.2 The external auditor is seeking to understand how the Audit and Governance Committee gains assurance that adequate arrangements are in place on matters such as fraud, breaches of internal control, compliance with laws and regulations, assessment of going concern and accounting estimates.
- 2.3 In order to achieve this, Grant Thornton have sought responses to a series of questions raised in their "Informing the Audit Risk Assessment" template. Draft management responses to the questions raised in respect of the year ended 31 March 2023 are now attached at **Annex A**.
- 2.4 Grant Thornton are also seeking to update their understanding of key accounting estimates made in the 2022/23 statutory accounts and again, will seek management responses to a series of questions in this regard. Draft management responses can also be seen in **Annex A**.
- 2.5 The committee are asked to consider whether the responses in **Annex A** are consistent with their understanding. Should any members have any further comments or observations in respect of any areas referenced in either document, they are asked to make this known to the auditors.



3. ALTERNATIVE OPTIONS

3.1 None

4. FINANCIAL IMPLICATIONS

4.1 None directly arising from this report.

5. LEGAL IMPLICATIONS

5.1 None arising from this report.

6. RISK ASSESSMENT

6.1 None

7. EQUALITIES IMPACT

7.1 None directly arising from this report.

8. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

8.1 None directly arising from this report.

9. BACKGROUND PAPERS

9.1 None.

(END)