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**REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 10 MAY 2023**

**SUBJECT: ANNUAL AUDIT PLAN FOR THE YEAR ENDING 31 MARCH 2023**

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT & FINANCE)**

**1. REASON FOR REPORT**

1.1 To inform the Committee of the Auditor's Annual Audit Plan for 2022/23.

**2. RECOMMENDATION**

**2.1 It is recommended that the Committee consider and note the contents of the External Auditor's Annual Plan for 2022/23.**

**3. BACKGROUND**

3.1 In September 2022, the Accounts Commission confirmed the appointment of Grant Thornton as the external auditor for the Council for financial years 2022/23 to 2026/27 inclusive.

3.2 In delivering the public audit for Moray, Grant Thornton will provide independent assurance that public money has spent appropriately and provides value. Audit work is carried out in accordance with International Standards on Auditing, the Code of Audit Practice and any other relevant guidance.

3.3 The audit includes consideration of Best Value.

**4. ANNUAL AUDIT PLAN 2022/23**

4.1 Grant Thornton's Annual Audit Plan for 2022/23 is attached as **APPENDIX 1** to this report. The Plan sets out the scope of the audit work and the auditor's approach to the audit. The Plan details the initial risks identified by Grant Thornton and planned work to be undertaken for the audit of the financial statements for the year ending 2022/23.

- 4.2 The main risks for the Council will be the focus of audit testing and are outlined on page 11 of the Plan. In order to assist with the assessment of risk, an Informing the Audit Risk Assessment was completed by senior managers and this is attached as **APPENDIX 2**.
- 4.3 Page 6 of the Annual Audit Plan shows the External Audit fee for 2022/23 as £282,860, which is an increase of 12.5% on the previous year, reflecting additional requirements placed on auditors which come into effect this year.
- 4.4 The annual accounts timetable, including key deadlines are shown on page 7 of the Annual Audit Plan and includes the statutory requirement for the Council to submit the Unaudited Annual Accounts along with supporting working papers to Grant Thornton by 30 June 2023, following consideration by those charged with governance at the meeting of Moray Council on 28 June 2023. The Council will be asked to consider the Annual Audit Report and approve the Audited Annual Accounts at its meeting on 27 September 2023.

## **5. SUMMARY OF IMPLICATIONS**

**(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))**

**(b) Policy and Legal**

The external audit is conducted in terms of statutory powers afforded to the appointed External Auditor and in accordance with Grant Thornton's Code of Practice.

**(c) Financial implications**

The annual audit fee for 2022/23 is £282,860.

**(d) Risk Implications**

The risks associated with the Audit Plan have been identified and categorised within the Audit Plan on page 11.

**(e) Staffing Implications**

Preparation of the Council's financial statements will be co-ordinated by the Chief Financial Officer and will require input from Financial Services along with other departments across the Council.

**(f) Property**

None arising directly from this report.

**(g) Equalities/Socio Economic Impact**

None arising directly from this report.

**(h) Climate Change and Biodiversity Impacts**

None arising directly from this report.

**(i) Consultations**

The content of the Annual Audit Plan has been discussed with CMT, the Chief Financial Officer and the Audit and Risk Manager prior to production and their comments have been incorporated where appropriate.

**6. CONCLUSION**

**6.1 The Annual Audit Plan informs the Council, its Committees and officers of the work to be undertaken by External Audit (Grant Thornton) in the year ahead.**

Author of Report: Laurie Milne, Senior Accountant  
Background Papers:  
Ref: LM/LJC/SPMAN-1293228629-859