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| Local Members Interest |
| N/A |

Audit and Standards Committee - Tuesday 11 July 2023

FRC Quality Report

Recommendation

I recommend that:

- a. Members note the contents of the FRC Quality Report.

Report of the Director of Finance

Report

Background

1. In October 2022 the Chartered Institute of Finance and Accountancy (CIPFA) updated their guidance Audit Committees: Practical Guidance for Local Authorities and Police. Within the guidance, it outlines the three principal aspect regarding the Audit Committee's role in relation to the external audit process:
 - To provide assurance that the external auditor team maintains independence following its appointment.
 - To receive and consider the work of external audit.
 - To support the quality and effectiveness of the external audit process.
2. On a regular basis the Financial Reporting Council (FRC) undertakes a quality inspection of the external audits performed across major audits within the Local Government sector. A sample of audit work is selected covering all providers to ensure that quality thresholds are maintained, highlighting any areas for improvement. The results of the 2022 review are contained in Appendix 1 attached.
3. This report can provide a source of assurance to assist the Audit & Standards Committee in demonstrating their effectiveness to the authority as part of their role in reviewing and supporting external audit arrangements with a focus on independence and quality. As part of the review of the effectiveness of the Audit & Standards Committee exercise undertaken with Members in May 2023, it was agreed that the latest version of the FRC report would be shared for information.

Equalities Implications

4. There are no direct implications arising from this report.

Legal Implications

5. Any new (significant) costs arising from Action Plans that cannot be contained within existing budgets will need to be considered within the Medium-Term Financial Strategy (MTFS).

Resource and Value for Money Implications

6. The net budget of the Internal Audit Section in 2023/24 is £1,082,580

Risk Implications

7. Good corporate governance is essential to efficient and effective service delivery and will assist the Council in promoting its image with key stakeholders.

Climate Change Implications

8. There are no direct implications arising from this report

List of Background Documents/Appendices

- CIPFA Audit Committees: Practical Guidance for Local Authorities and Police – 2022 Edition

Appendix 1 – FRC Quality Report

Contact Details

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