



WEST OXFORDSHIRE  
DISTRICT COUNCIL

## WEST OXFORDSHIRE DISTRICT COUNCIL

Council name	<b>West Oxfordshire District Council</b>
Name and date of Committee	<b>Audit and General Purposes Committee</b> <b>Thursday 18 March 2021</b>
Report Number	<b>Agenda Item No. 7</b>
Subject	<b>Informing the Audit Risk Assessment 2020/21</b>
Wards affected	All indirectly
Accountable member	Councillor Toby Morris, Cabinet Member for Resources Email: <a href="mailto:toby.morris@westoxon.gov.uk">toby.morris@westoxon.gov.uk</a>
Accountable officer	Elizabeth Griffiths, Chief Finance Officer Tel: 01993 861188 623313 Email: <a href="mailto:elizabeth.griffiths@westoxon.gov.uk">elizabeth.griffiths@westoxon.gov.uk</a>
Summary/Purpose	For the Audit and General Purposes Committee to discuss its response to the Council's external auditors (Grant Thornton LLP) regarding how the Committee gains assurance on matters such as fraud, breaches of internal control, compliance with laws and regulations and accounting estimates.
Annexes	Annex A – Informing the Audit Risk Assessment 2020/21 Annex B – Accounting Estimates management summary
Recommendation	That the Committee confirms that the management response to the auditor risk assessment is a true reflection of the council's management processes.
Corporate priorities	To meet the current and future needs and aspirations of residents and to provide efficient and value for money services, whilst delivering quality front line services.
Key Decision	N/A
Exempt	No
Consultees/ Consultation	Not applicable.

## **1. BACKGROUND**

1.1. As part of external audit's risk assessment procedures they are required to obtain an understanding of management processes and this Committee's oversight of the following areas;

- General enquiries of Management
- Fraud
- Laws and Regulations
- Related Parties
- Accounting Estimates

1.2. The report at Annex A includes a series of questions on each of these areas and the responses received from management. This Committee should consider whether the responses are consistent with its understanding and whether there are any further comments it wishes to make.

1.3. Annex B includes a series of specific questions in relation to management's methods, assumptions and controls in respect of material accounting estimates included in the accounts.

1.4. A revision to auditing standard ISA (UK) 540 (Auditing Accounting Estimates and Related Disclosures) has resulted in significant enhancements in respect of the audit risk assessment process for accounting estimates. Auditors are required to understand and assess an entity's internal controls over accounting estimates, including ensuring that those charged with governance can satisfy itself that arrangements for accounting estimates are adequate. There are consequently a number of more detailed questions in respect of accounting estimates in Annex B than have been included in previous years.

## **2. FINANCIAL IMPLICATIONS**

2.1. This report has no financial implications.

## **3. LEGAL IMPLICATIONS**

3.1. None directly from this report.

## **4. RISK ASSESSMENT**

4.1. None.

## **5. BACKGROUND PAPERS**

5.1. None