

Report title	External Audit - Informing the Audit Risk Assessment 2020-2021	
Accountable director	Claire Nye, Director of Finance	
Originating service	Strategic Finance	
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Report to be/has been considered by	Not applicable.	

Recommendation for action:

The Audit and Risk Committee is recommended to:

1. Consider and comment on the report of the external auditors, Grant Thornton.

1.0 Purpose

- 1.1 To contribute towards the effective two-way communication between auditors and the Council's Audit and Risk Committee, as 'those charged with governance'.

2.0 Background

- 2.1 Under International Standards on Auditing (UK and Ireland) (ISA(UK&I)) auditors have specific responsibilities to communicate with the Audit and Risk Committee. ISA(UK&I) emphasise the importance of two-way communication between the auditor and the Audit and Risk Committee and specify matters that should be communicated.
- 2.2 This two-way communication assists both the auditor and the Audit & Risk Committee in understanding matters relating to the audit and developing a constructive working relationship. It also enables the auditor to obtain information relevant to the audit from the Audit and Risk Committee and supports the Audit and Risk Committee in fulfilling its responsibilities in relation to the financial reporting process.
- 2.3 As part of risk assessment procedures Grant Thornton are required to obtain an understanding of management processes and the Audit and Risk Committee's oversight of the following areas:
- General enquiries of management
 - Fraud
 - Laws and Regulations
 - Related parties
 - Accounting estimates
- 2.4 This report includes a series of questions on each of these areas and the responses that Grant Thornton have received from the Council's management. The Audit and Risk Committee are asked to consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

3.0 Financial implications

- 3.1 There are no specific financial implications arising from the recommendation in this report.

[EB/23022021/L]

4.0 Legal implications

- 4.1 This report and its attachment sets out the legal implications which are in accordance with the Council's Constitution and relevant legislation.

[TS/24022021/R]

5.0 Equalities implications

- 5.1 There are no equality implications arising from the recommendation in this report.

6.0 All other implications

6.1 COVID implications are covered in the appendices attached. There are no other implications arising from this report.

7.0 Schedule of background papers

7.1 None.

8.0 Appendices

8.1 Appendix 1 – Informing the audit risk assessment for City of Wolverhampton Council 2020-2021.