

LEDBURY TOWN COUNCIL

FINANCE, POLICY & GENERAL PURPOSES COMMITTEE	23 JANUARY 2020	AGENDA ITEM: 7
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Report prepared by Angie Price – Town Clerk

EXTERNAL AND INTERNAL AUDIT

SPECIAL AUDIT

Purpose of Report

The purpose of this report is to provide Members of the Finance, Policy & General Purposes Committee with an update on the current status of the Special Audit commissioned by Council.

Detailed Information

At a meeting of the Finance, Policy & General Purposes Committee held on 28 November 2019, Members were advised that the Special Audit would commence week beginning 6 January 2020.

A representative of the company appointed attend the Council offices for a period of three days (6-8 January 2020) with a report back to his superior on 9 January 2020.

During his time here the auditor had spent time reviewing several documents and minutes of meetings. He reported this back to his superior at which time it was discovered that the company engaged realised that they had act for another organisation associated to an individual involved in the transactions being inspected. Unfortunately, this presents “an independence threat” to the firm appointed and the Council.

They immediately contacted the Institute of Chartered Accountants in England & Wales to see if it would be possible to continue with the audit taking into account the ethical guidelines governing the industry. Unfortunately, the advice they received was that they are unable to complete the work and that they must resign from the assignment.

Due to the circumstances they have agreed that under the circumstances there would be no charge for the work carried out to date.

The Town Clerk has contacted some other companies to enquire whether they would be interested in undertaking the works and should any quotes be available by the time of the meeting will make these available.

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Recommendation

That Members authorise the Town Clerk to continue to identify Auditing companies that may be interested in providing a quote for the work and that quotes be submitted to a future meeting of the Finance, Policy & General Purposes Committee or Full Council, whichever is the earliest.