



REPORT TO : Audit and Governance Committee

LEAD OFFICER: Strategic Director of Finance and Resources

DATE: 18th March 2024

PORTFOLIOS AFFECTED: All

WARD/S AFFECTED: All

TITLE OF REPORT: Response to the External Auditor's request for information on how the Audit Committee gains assurance from management

1. PURPOSE

To contribute towards the effective two-way communication between Blackburn with Darwen Borough Council's external auditors and Blackburn with Darwen Borough Council's Audit and Governance Committee, as 'those charged with governance'. The report covers some important areas of the auditor risk assessment where external audit are required to make inquiries of the Audit and Governance Committee under auditing standards.

2. RECOMMENDATIONS

The Committee is recommended to comment as appropriate on the risk assessment at Appendix 1.

3. BACKGROUND

3.1 Under International Standards on Auditing (UK), (ISA(UK)) auditors have specific responsibilities to communicate with the Audit and Governance Committee. ISA(UK) emphasise the importance of two-way communication between the auditor and the Audit and Governance Committee and also specify matters that should be communicated.

3.2 This two-way communication assists both the auditor and the Audit and Governance 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 Governance Committee and supports the Audit and Governance Committee in fulfilling its responsibilities in relation to the financial reporting process.

4. KEY ISSUES

4.1. As part of the external auditors assessment procedures they are required to obtain an understanding of management processes and the Council's oversight of the following areas:

- General Enquiries of Management
- Fraud,
- Laws and Regulations,
- Related Parties,
- Going Concern, and
- Accounting Estimates.

4.2 This report includes a series of questions on each of these areas and the response audit received from Blackburn with Darwen Borough Council's management. The Audit and Governance Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

5. POLICY IMPLICATIONS

There are no policy implications arising directly from this report

6. FINANCIAL IMPLICATIONS

There are no financial implications arising directly from this report

7. LEGAL IMPLICATIONS

There are no legal implications arising directly from the contents of this report.

8. RESOURCE IMPLICATIONS

There are no other resource implications arising directly from the contents of this report.

9. EQUALITY AND HEALTH IMPLICATIONS

There are no equality and health implications arising from the contents of this report.

10. CONSULTATIONS

None arising from the contents of this report.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

VERSION:	0.01
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DATE:	March 2024
BACKGROUND PAPERS:	

