

AC39. EXTERNAL AUDIT UPDATE

The committee considered a report by their External Audit Manager providing an update on 2015/16 External Audit work.

The report summarised:

- Audit Scotland's governance work, which included reviews of Internal Controls and Governance, ICT, and the National Fraud Initiative;
- The outcomes of national audit work, in particular Scotland's Public Sector Workforce: Impact Report;
- Progress against the 2015/16 External Audit plan; and
- The process for appointing an External Auditor for the period 2016/17 to 2020/2021.

Members sought clarification on the process of appointing the Council's next External Auditors. It was considered good practice to rotate audit teams to maintain independence and to 'freshen' the audit relationship. Mr Rundell confirmed that it was likely that the new team would be a private sector firm. For the previous 3 'rotations' Falkirk Council had been 'held' by Audit Scotland. He confirmed, following a question, that procedures were in place should an authority require to raise a complaint in regard to private sector auditors. He also gave an overview of the audit process in regard to the Integration Joint Board.

The committee discussed the audit plan for 2015/16 and sought assurance that the work could be completed before the handover to new auditors in September 2016. Both Mr Rundell and the Acting Depute Chief Finance Officer confirmed that learning points arising from the audit of the accounts for 2015/16 would be implemented for the 2016/17 audit process.

Decision

The committee noted the report.