

# Crawley Borough Council

## Audit Committee

Agenda for the **Audit Committee** which will be held in **Committee Rooms A & B - Town Hall**, on **Tuesday, 8 November 2022 at 7.00 pm**

Nightline Telephone No. 07881 500 227



**Chief Executive**

Membership:  
Councillors

J Millar-Smith (Chair), T Rana (Vice-Chair), M L Ayling, T G Belben  
and Y Khan

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The order of business may change at the Chair's discretion

## Part A Business (Open to the Public)

	<b>Pages</b>
<b>1. Apologies for Absence</b>	
<b>2. Disclosures of Interest</b>	
In accordance with the Council's Code of Conduct, Councillors are reminded that it is a requirement to declare interests where appropriate.	
<b>3. Minutes</b>	5 - 10
To approve as a correct record the minutes of the Audit Committee held on 25 July 2022.	
<b>4. Public Question Time</b>	
To answer any questions asked by the public which relate to an item on this agenda, and which are in line with the Council's Constitution.	
Public Question Time will be concluded by the Chair when all questions have been answered or on the expiry of a period of 15 minutes, whichever is the earlier.	
<b>5. Draft Risk Management Strategy</b>	11 - 30
To consider report FIN/589 of the Head of Corporate Finance.	
<b>6. Fraud and Investigation Team Report</b>	31 - 34
To consider report FIN/603 of the Operational Benefits and Corporate Fraud Manager.	
<b>7. Internal Audit Progress Report</b>	35 - 48
To consider report FIN/591 of the Head of Corporate Finance.	
<b>8. Risk Management Update</b>	49 - 60
To consider report FIN/602 of the Head of Corporate Finance.	

**9. Appointment of External Auditors**

On 17 October 2022 Public Sector Audit Appointments (PSAA) informed the Head of Corporate Finance of the outcome of its procurement to let audit contracts from 2023/24. Ernst & Young was successful in winning a contract in the procurement, and PSAA propose appointing that firm as the auditor of Crawley Borough Council for five years from 2023/24.

**RECOMMENDATION**

That the Committee note that Ernst & Young have been appointed as the Council's external auditors for five years from 2023/24.

**10. 2022/23 Scale Fee for Crawley Borough Council**

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On 9 September Public Sector Audit Appointments (PSAA) provided the Scale Fee for the 2022/23 Audit. That Scale Fee is attached as report FIN/592.

Subsequently, on 3 October 2022 correspondence was received from the Senior Manager for Business and Procurement at PSAA which announced the outcome of the PSAA's procurement for audit services for opted-in bodies from 2023/24 onwards. They advised that:

"In summary we have offered contracts to six suppliers. We are pleased to retain the services of three existing suppliers, Grant Thornton, Mazars and Ernst & Young, to welcome former supplier KPMG back to the market, and to be entering into contracts with two new suppliers, Bishop Fleming and Azets Audit Services.

"The bid prices that we received in this procurement reflect a significant increase compared to our previous procurement in 2017. At this stage our advice to bodies is to anticipate a major re-set of total fees for 2023/24 involving an increase of the order of 150% on the total fees for 2022/23. The actual total fees will depend on the amount of work required.

"We appreciate that the extent of this likely increase in audit fees will pose a significant funding challenge for local bodies already facing a daunting range of financial pressures. We have raised this with the Department for Levelling Up, Housing and Communities for consideration. You can read the [full press release](#) via our website."

	<b>Pages</b>
<p><b>RECOMMENDATION</b></p> <p>That the Committee note the Scale Fee for the 2022/23 Audit and the subsequent information provided by the PSAA on 3 October 2022.</p>	
<p><b>11. Audit Results Report Year Ended 31 March 2021</b></p> <p>To consider report FIN/600 submitted by Ernst and Young.</p> <p><b>RECOMMENDATION</b></p> <p>That the Audit Results Report for the year ended 31 March 2021 be received and noted.</p>	63 - 116
<p><b>12. Auditor's Annual Report Year Ended 31 March 2021</b></p> <p>To consider report FIN/601 submitted by Ernst and Young.</p> <p><b>RECOMMENDATION</b></p> <p>That the Auditor's Annual Report for the year ended 31 March 2021 be received and noted.</p>	117 - 154
<p><b>13. Supplemental Agenda</b></p> <p>Any urgent item(s) complying with Section 100(B) of the Local Government Act 1972.</p>	

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