

 Finance and Audit Scrutiny Committee 10 March 2015		Agenda Item No. 3
Title	External Audit Reports	
For further information about this report please contact	Mike Snow 01926 456800	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	25/2/2015	
Head of Service	25/2/2015	Mike Snow
CMT	25/2/2015	
Section 151 Officer	25/2/2015	Mike Snow
Monitoring Officer	25/2/2015	Andrew Jones
Finance	25/2/2015	Mike Snow
Portfolio Holder(s)	25/2/2015	Cllr Stephen Cross
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?	Yes/No	
Suggested next steps (if not final decision please set out below)		

1. **Summary**

1.1 Grant Thornton, the Council's external auditors have recently submitted the following three items for the Committee's consideration:-

- Certification work for Warwick District Council for year ended 31 March 2014
- Informing the audit risk assessment for Warwick District Council
- The Audit Plan for Warwick District Council year ended 31 March 2015

2. **Recommendation**

2.1 That the Finance and Audit Scrutiny Committee considers the documents from the external auditors and make any relevant observations.

3. **Reasons for the Recommendation**

3.1 The letter dealing with the Certification work for 2013/14 replaces the previous reports on claims and reports. As the numbers of claims have now reduced, it has been deemed no longer necessary for a formal report to be issued. However, the auditor's letter is being brought to the committee's attention.

3.2 The two claims that were audited are:-

- Pooling of Housing Capital Receipts
- Housing Benefits Claim

3.3 The Housing and Benefit claim was qualified by the auditors. Whilst this is disappointing, as noted in previous years, it is the exception nationally for this claim to be unqualified.

3.4 The Audit Plan for the 2014/15 audit is presented. This includes details of the approach to be followed in carrying out the audit, and also some of the key risks that will be considered.

3.5 "Informing the audit risk assessment". In planning and performing the audit of the financial statements the auditors need to understand how the Finance & Audit Scrutiny Committee, as "those charged with governance", supported by the Council's officers, meets its responsibilities in the following areas:-

- fraud
- laws and regulations
- going concern
- related party transactions
- accounting for estimates.

The accompanying external auditor's report summarises the respective responsibilities of the Finance & Audit Scrutiny Committee, officers and external audit in each of these areas, as set out by International Standards on Auditing (UK and Ireland) (ISAs).

4. Policy Framework

- 4.1 By considering the documents, members can see how external audit can assist the Council in its priority of managing the Council's resources effectively and ensuring its services are of a high quality.

5. Budgetary Framework

- 5.1 The fee charged for the Annual Audit of the Accounts, and associated work is £71,497, excluding grant claims with an indicative fee of £8,530. Details of the fees are set out in the Planned Audit Fee letter from Grant Thornton.
- 5.2 For 2013/14 the main fee was £70,597 and £10,880 for grant claims. For all authorities, a further sum was agreed for additional work in respect of Business Rates.
- 5.3 The increase in fees for 2014/15 is understood to include the additional amount for Business Rates.

6. Risks

- 6.1 The audit of the accounts and associated grant claims seeks to provide assurance to all stakeholders that the Council's finances, as reported in the Accounts, are being properly managed.

7. Alternative Option(s) considered

- 7.1 None.