

 <b>Finance and Audit Scrutiny Committee</b> <b>12 November 2013</b>		<b>Agenda Item No. 4</b>
<b>Title</b>	Annual Audit Letter 2012/13	
<b>For further information about this report please contact</b>	Mike Snow 01926 456800	
<b>Service Area</b>	Finance	
<b>Wards of the District directly affected</b>	N/A	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>		
<b>Background Papers</b>		

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	31/10/13	Chris Elliott
CMT		
Section 151 Officer	31/10/13	Mike Snow
Finance	31/10/13	
Portfolio Holder(s)	31/10/13	Andrew Mobbs
<b>Consultation Undertaken</b>		
Please insert details of any consultation undertaken with regard to this report.		
<b>Final Decision?</b>		Yes/No
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. **SUMMARY**

- 1.1 This report comments on the Council's Annual Audit Letter that is attached as an Appendix to this report. The letter is the Council's External Auditor assessment of the Council, drawing on audit, inspection and performance assessment work and is prepared by the Council's External Auditor, Grant Thornton. The External Auditors will attend the Finance and Audit Scrutiny Committee for this item.
- 1.2 Members of the Executive are invited to attend if they wish to discuss any particular matter with the Council's External Auditors.

## 2. **RECOMMENDATION**

- 2.1 The Committee considers the Annual Audit Letter and if necessary agrees any further information required from either officers or the Council's auditors.

## 3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The Annual Audit Letter is a letter to all members of the Council which needs to be given due consideration by appropriate committees.
- 3.2 The report brings together details that were included within the Audit Findings report that was presented to members in September alongside the Statement of Accounts, with further information on progress on the audit of the grant claims and returns.

## 4. **ALTERNATIVE OPTION CONSIDERED**

- 4.1 No other action is proposed other than for the committee to consider the External Auditor's report.

## 5. **BUDGETARY FRAMEWORK**

- 5.1 There are no financial implications associated directly with this report. The main audit fee is as originally stated to members, although the cost of the grant work cannot be confirmed until all that work is concluded. It is probable that there may be additional fees in relation to the HS2 work.

## 6. **POLICY FRAMEWORK**

- 6.1 By considering and addressing the issues raised in the letter members are acting in accordance with their priority of managing services openly, effectively and efficiently.

## 7. **BACKGROUND**

- 7.1 The auditor's report looks at a number of key areas based on their audit work in relation to 2012/13. This report brings together the main findings from two main areas.
- 7.2 Audit opinion and financial statements. The auditors prepared their Audit Findings Report based on the Council's 2012/13 financial statements. This report was presented to the Finance and Audit Scrutiny Committee on 25 September 2013.

- 7.3 No significant weaknesses in the Council's internal control arrangements have been identified.
- 7.4 The Annual Audit Letter also includes details of the 2012/13 Value For Money conclusion. This was included within the Audit Findings Report in September. It was concluded that the Council have proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources.
- 7.5 The audit of all the grant and subsidy claims for 2012/13 is nearly complete. A Grant Claims report will be issued by Grant Thornton later in the year.
- 7.6 Members will recall that a local elector made an objection to the accounts in relation to the Council's expenditure on opposition to HS2, which the objector is suggesting is unlawful. This issue is still being considered by the auditors. Whilst this did not prevent an opinion on the accounts being issued, it does prevent the audit being certified as closed.