

 <b>Finance and Audit Scrutiny Committee</b> <b>13<sup>th</sup> March 2012</b>		<b>Agenda Item No. 7b</b>
<b>Title</b>	Audit Opinion Plan 2011/12	
<b>For further information about this report please contact</b>	Mike Snow (01926) 456800 <a href="mailto:Mike.snow@warwickdc.gov.uk">Mike.snow@warwickdc.gov.uk</a>	
<b>Service Area</b>	Finance	
<b>Wards of the District directly affected</b>	None specifically	
<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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006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>	None	

<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

Officer/Councillor Approval		
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).		
Officer Approval	Date	Name
Deputy Chief Executive	28/2/12	Andy Jones
Chief Executive		
CMT		
Section 151 Officer		Mike Snow
Legal		
Finance		Mike Snow
Portfolio Holder(s)	15/3/11	Councillor Andrew Mobbs
Consultation Undertaken		
.		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

## **1. SUMMARY**

- 1.1 This report asks the Committee to consider the Audit Plan for 2011/12 from the external auditors; and if necessary agree any further information required from either officers or the Councils Auditors. The Council's External Auditors will attend the Finance and Audit Scrutiny Committee for this item.

## **2. RECOMMENDATION**

- 2.1 The Committee considers the Audit Plan 2011/12 letter attached, and agrees any further information required from either officers or the Council's Auditors.

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

- 3.1 This document is reported to the Committee so as to aid understanding of the role of the Council's external auditors.

## **4. ALTERNATIVE OPTION CONSIDERED**

- 4.1 None.

## **5. BUDGETARY FRAMEWORK**

- 5.1 The fee charged for the Annual Audit Fee Letter is £117,661, excluding grant claims, estimated at £35,000. Details of these fees were reported to Finance and Audit Scrutiny Committee last March.
- 5.5 The level of future of audit fees will be dependent on the procurement process currently on-going as referred to in paragraph 7.7 below.

## **6. POLICY FRAMEWORK**

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

## **7. BACKGROUND**

- 7.1 The auditors have issued the Audit Plan 2011/12.
- 7.2 The Audit Plan details the work the auditors will be undertaking in considering the 2011/12 Accounts.
- 7.3 Finance will be issuing the Final Accounts report to the Executive in June. This report details the overall position for the Council's revenue and capital expenditure compared to budget, and how this is financed.
- 7.4 The Statement of Accounts is due to be signed off by the Council's Responsible Finance Officer before the end of June. The Statements include the Income and Expenditure Account and the Balance Sheet and are required to comply with the Statement of Recommended Practice. The Council will need to approve the Statement following the completion of the Audit, before the Statements are formally published at the end of September 2012.

7.5 The Auditors will report to the Finance and Audit Scrutiny Committee before the end of September ahead of issuing their opinion of the accounts. This meeting is scheduled for 26<sup>th</sup> September. In addition, it is intended to report the pre-audit Statement to Finance and Audit Scrutiny Committee in July.

7.6 The Audit Opinion Plan suggests three specific risks:-

- Heritage Assets
- HRA reform
- Pension Fund triennial review

These are all discussed in more detail within the Audit Plan.

7.7 2011/12 will be the last year when the audit is carried out by the Audit Commission. Members will be aware that a procurement process is on-going whereby private sector auditors will be responsible for all external audit in place of the Audit Commission from 2012/13. It should be possible to provide a verbal update to the meeting on this progress.