

 <b>Finance &amp; Audit Scrutiny Committee</b> <b>- 11 March 2014</b>		<b>Agenda Item No.</b>  <div style="text-align: right; font-size: 2em;"><b>4</b></div>
<b>Title</b>	<b>Informing the Audit Risk Assessment – Report from External Auditors</b>	
<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>	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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006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
<b>Equality and Sustainability Impact Assessment Undertaken</b>	No
Not relevant	

<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	25/2/14	Chris Elliott
Head of Service	25/2/14	Mike Snow
CMT		
Section 151 Officer	25/2/14	Mike Snow
Monitoring Officer	25/2/14	Andy Jones
Finance	25/2/14	Mike Snow
Portfolio Holder(s)	25/2/14	Councillor Andrew Mobbs
<b>Consultation Undertaken</b>		
<b>Final Decision?</b>		Yes/No
<b>Suggested next steps (if not final decision please set out below)</b>		

## **1. SUMMARY**

- 1.1 Ahead of the audit of the 2013/14 accounts, the external auditors have prepared a report covering some important areas of the auditor risk assessment where the auditors are required to make inquiries of the Finance and Audit Scrutiny Committee under auditing standards. Finance and Audit Scrutiny Committee are required to consider this report and whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

## **2. RECOMMENDATION**

- 2.1 The Finance and Audit Scrutiny Committee considers Grant Thornton's report and the responses therein, and confirms it is satisfied with the arrangements.

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

- 3.1 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 This audit of the accounts is due to be undertaken within the agreed budget. There are no additional budgetary implications from this report.

## **6. RISKS**

- 6.1 The external auditor's report considers frameworks in place that impact upon the risks relating to the Council's financial statements. It is important to manage the authority's risks so as reduce the likelihood of mis-statement within the accounts.

## **7. ALTERNATIVE OPTION CONSIDERED**

- 7.1 None.