

	Finance and Audit Scrutiny Committee 2 December 2014	Agenda Item No. 4
	Title	Annual Audit Letter 2013/14
For further information about this report please contact	Mike Snow 01926 456800	
Service Area	Finance	
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	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	23 September 2014 Finance & Audit Scrutiny Committee	
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

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
Chief Executive/Deputy Chief Executive		Andy Jones
Head of Service		
CMT		
Section 151 Officer		Mike Snow
Finance		Mike Snow
Portfolio Holder(s)		Stephen Cross
Consultation Undertaken		
Please insert details of any consultation 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 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. Four objections to the accounts were received for which the auditors are still undertaking their investigations. The audit cannot be formally concluded until this work has been undertaken. The Auditors will report the findings of this work to members in due course.

4. **POLICY FRAMEWORK**

- 4.1 **Policy Framework** – By considering and scrutinising the report members are acting in accordance with the priority of managing services openly, effectively and efficiently.
- 4.2 **Fit for the Future** – This report has no direct impact on Fit for The Future as it is a review of the past year's performance.

5. **BUDGETARY FRAMEWORK**

- 5.1 There are no additional financial implications associated directly with this report. The main audit fee is as originally stated to members, with the additional £900 in respect of business rates (this being an additional fee for all local authorities). Work is still being carried out by the auditors in respect of the objections to the accounts for which there will be an additional fee.

6. **RISKS**

- 6.1 That objections to the accounts are upheld by the external auditor.

7. **ALTERNATIVE OPTION CONSIDERED**

- 7.1 No alternatives have been considered.

8. **BACKGROUND**

- 8.1 The auditor's report looks at a number of key areas based on their audit work in relation to 2013/14. This report brings together the main findings from two main areas.
- 8.2 Audit opinion and financial statements. The auditors prepared their Audit Findings Report based on the Council's 2013/14 financial statements. This report was presented to the Finance and Audit Scrutiny Committee on 23 September 2014.
- 8.3 No significant weaknesses in the Council's internal control arrangements have been identified. Actions are being taken by officers to address the key issues and recommendations.
- 8.4 The Annual Audit Letter also includes details of the 2013/14 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.
- 8.5 The audit of all the grant and subsidy claims for 2013/14 is nearly complete. A Grant Claims report will be issued by Grant Thornton later in the year.
- 8.6 Four formal objections to the accounts were received. These objections relate to:-
- resolution of the difficulties in relation to leases at Racing Club Warwick
 - the management of St Mary's Lands, including the Racecourse
 - allegedly excessive legal services costs
 - recovery of overpaid benefits.