

 Finance and Audit Scrutiny Committee 12 January 2016		Agenda Item No. 4
Title	2014/15 Annual Audit Letter and Grant Claims	
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	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	22 September 2015 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
Deputy Chief Executive	18/12/15	Andy Jones
Head of Service	18/12/15	Mike Snow
CMT	18/12/15	
Section 151 Officer	18/12/15	Mike Snow
Finance	18/12/15	Mike Snow
Portfolio Holder(s)	18/12/15	Cllr Peter Whiting
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 The auditors have also completed the two Grants audits, with both the Benefits Claim and the Pooling of Housing Capital Receipts audits being signed off as unqualified.

2. **RECOMMENDATION**

- 2.1 The Committee considers the Annual Audit Letter and Grants Audit, 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. The action plan, in response to the recommendations from the auditors is included.
- 3.3 One objection to the 2014/15 Accounts was received. This is currently being considered by the auditors. As the substance of this objection was similar to one of the 2013/14 objections which was dismissed by the auditors, it is not believed that this new objection should present any concern. One objection to the 2013/14 accounts remains outstanding to be considered by the auditors. This has been delayed due to an on-going appeal.
- 3.4 The Grants Claims letter is attached as an appendix. This letter deals only with the Housing Benefits Audit, which is now the only audit that is still part of the Auditor's formal appointment. This claim was unqualified. This is a very satisfactory conclusion, given the complex nature of the claim and the matter being audited. Nationally, unqualified claims are in the minority for Housing Benefits.
- 3.5 The Council was also required to have the Pooling of Housing Capital Receipts Return audited. This audit was agreed to be carried out by Grant Thornton. No issues were found with this return.

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 As detailed in Appendix B of the Annual Audit Letter, the cost of the main audit was in line with the plan. Similarly, the Housing Benefit Audit was at the planned charge. Additional costs of £12,857 have been incurred in respect of the 2013/14 objections that have been dealt with, with further costs for the objections still to be settled.
- 5.2 The Housing Benefits Audit has come in at the planned charge of £8,530. The charge for the Pooling of Housing Capital Receipts return is still awaited. This should not be significant.
- 5.3 Overall, it is anticipated that within the external audit budget, there is sufficient to meet any further costs in respect of the 2014/15 audit.

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 2014/15. 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 2014/15 financial statements. This report was presented to the Finance and Audit Scrutiny Committee on 22 September 2015.
- 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 2014/15 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.