

	<h2>Audit Committee</h2> <h3>29th January 2015</h3>
<p style="text-align: center;">Title</p>	<p>Annual Audit Letter 2013/2014</p>
<p style="text-align: center;">Report of</p>	<p>Chief Operating Officer and Director of Finance</p>
<p style="text-align: center;">Wards</p>	<p>All</p>
<p style="text-align: center;">Date added to Forward Plan</p>	<p>1 April 2013</p>
<p style="text-align: center;">Status</p>	<p>Public</p>
<p style="text-align: center;">Enclosures</p>	<p>Appendix A – Annual Audit Letter 2013/2014</p>
<p style="text-align: center;">Officer Contact Details</p>	<p>Paul Thorogood – Assistant Director, CSG Finance Service Paul.Thorogood@capita.co.uk</p>

<h2>Summary</h2>
<p>The purpose of the Annual Audit Letter is to summarise the key issues identified by the Council’s External Auditor, Grant Thornton UK LLP, during their audit and inspection activity. The letter is designed to communicate messages to the Council and external stakeholders, including members of the public.</p> <p>The External Auditor will attend the Committee meeting to introduce their report and respond to questions. This covering report extracts the key messages from within the Annual Audit Letter 2013/2014, which is attached to this report in Appendix A.</p> <p>The following points are drawn to the attention of the Committee:</p> <p>An unqualified opinion on the Statement of Accounts for 2013/2014 was given by the External Auditors, confirming that the accounts give a true and fair view of the Council’s financial position as at 31 March 2014 and it’s income and expenditure for the 2013/2014 financial year.</p> <p>The unqualified audit opinion was provided on 9 September 2014 for 2013/2014.</p> <p>An unqualified conclusion was provided by the External Auditors in respect of the Council’s arrangements for securing economy, efficiency and effectiveness in its use of resources.</p>

An unqualified opinion on the Whole of Government Accounts submission for 2013/2014 was given by the External Auditors.

The External Auditors are in the process of certifying the 2013/2014 grant claims and will report the findings to a later Audit Committee.

The matters raised by electors to the 2013/2014 accounts are in the process of being responded to. Once concluded the Auditor will formally certify the 2013/2014 audit closed.

The audit fees for 2013/2014 which can be confirmed at this time are as follows:

The Audit Fee for 2013/2014 was planned to be £224.1k. The actual audit fee for 2013/2014 will be in excess of the planned value due to the cost of dealing with elector objections. The actual 2013/2014 fee will be advised at a future Committee once determined and agreed with the External Auditors.

The Grant Certification Fee for 2013/2014 was planned to be £38.4k. The work on this is still on-going and a final fee will be reported to a later committee, however a revised scale fee of £31.597k (number of certifications has reduced from 5 to 2) is expected plus an additional £2.6k for additional work on business rates. (Appendix B within the report).

Recommendations

- 1. That the External Auditor's Annual Audit Letter for 2013/2014 be accepted as a reasonable statement on the Council's position in respect of the Audit of the Accounts, Financial Performance, Value for Money and Financial Resilience.**
- 2. That the Committee consider whether there are any areas on which they require additional information.**

1. WHY THIS REPORT IS NEEDED

- 1.1 The Audit Commission's Code of Audit Practice requires auditors to prepare an annual audit letter and issue it to each audited body.
- 1.2 The purpose of preparing and issuing annual audit letters is to communicate to the audited body and key external stakeholders, including members of the public, the key issues arising from auditors' work, which auditors consider should be brought to the attention of the audited body. The annual audit letter covers the work carried out by auditors since the previous annual audit letter was issued on 28th January 2014.

2. REASONS FOR RECOMMENDATIONS

- 2.1 So that the Council can consider the external auditor's annual letter, be able to comment on the scope and depth of external audit work and to ensure it gives value for money.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 None

4. POST DECISION IMPLEMENTATION

- 4.1 None

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Annual Audit Letter summarises the key performance issues and achievement of the Council. Those areas of weakness must be addressed over the coming year, failure to do so carries the risk of adverse financial and/or reputational consequences. This supports the Council's corporate priorities as expressed through the Corporate plan.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 This report deals with the Council's audit of the accounts, financial performance, value for money and financial resilience. The External Auditor provided an unqualified opinion with regards to the Council's arrangements to ensure economy, efficiency and effectiveness in its use of resources.

5.3 Legal and Constitutional References

- 5.3.1 The Accounts and Audit (England) Regulations 2011 requires that, as soon as reasonably possible after receipt of the annual letter from the auditor, the members of the Committee must meet to consider it and following that consideration must:
- Publish the annual audit letter received from the Auditor; and
 - Make copies available for purchase by any person on payment of such sum the Council may reasonably require. The council do not currently charge for requested copies.
- 5.3.2 The Council's Constitution, Responsibility for Functions - the functions of the Audit Committee are detailed and include "To consider the external auditor's annual letter, relevant reports and the report to those charged with governance". and "to comment on the scope and depth of external audit work and to ensure it gives value for money"

5.4 Risk Management

5.4.1 The Annual Audit Letter has many positive things to say about the Council, but also highlights areas of weakness that must be addressed over the coming year. Failure to do so carries the risk of adverse financial and/or reputational consequences.

5.5 Equalities and Diversity

5.5.1 There are no matter of equalities and diversity arising from the content of this report.

5.6 Consultation and Engagement

There are no consultations or engagements relevant to this report

6. BACKGROUND PAPERS

6.1 None