

EXTERNAL AUDIT ANNUAL AUDIT LETTER 2013-14
WDA/35/14

Recommendation

That:

1. Members note the contents of the Annual Audit Letter

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EXTERNAL AUDIT ANNUAL AUDIT LETTER 2013-14
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Report of the Treasurer

1. Purpose of the Report

- 1.1 To present to Members the Annual Audit Letter and to report the outcome of the 2013/14 audit undertaken by the Authority's external auditor, Grant Thornton.

2. Background

- 2.1 Grant Thornton is appointed by the Audit Commission as the Authority's external auditor and is required to review various aspects of the Authority's activities in line with the requirements of the Audit Commission's Code of Audit Practice (the Code).
- 2.2 Grant Thornton produced an Annual Governance Report which was presented to Members at a meeting of the Authority held on 26th September 2014.
- 2.3 The report considered the auditor's findings in relation to the Authority's Financial Statements and Use of Resources (Value for Money Conclusion) for 2013/14 and the auditor issued an unqualified opinion for each.

3. 2014/14 Annual Audit Letter

- 3.1 Upon completion of the annual audit, Grant Thornton is required to publish an Annual Audit Letter which summarises the outcome of their work and makes specific recommendations for the coming year.
- 3.2 The Chief Executive has now received the Annual Audit Letter for 2013/14 which is attached at Appendix 1.
- 3.3 The 2013/14 Annual Audit Letter reports the Authority's position in relation to the following key areas:
- the Authority's accounts; and

- whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 3.4 As noted above, the auditor has issued an unqualified opinion on the Authority's Statement of Accounts for 2013/14 and is satisfied that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 3.5 Members are asked to note the key accounting adjustments that were made to the accounts as presented to Members in September and which were agreed. The accounts process was improved but the auditor's view is that scope remains for further improvement, this is agreed and the suggestion that the Authority continues to utilise external support next year will be taken forward as part of the accounts planning process for 2014-15.
- 3.6 At the time of the Auditors report on the statement of accounts their work on the Whole of Government Accounts was not complete, they were able to finalise this with no significant issues raised. The Audit has therefore been completed.
- 3.7 As a result of additional time spent by the Auditor in reviewing the accounts an extra fee of £11k has been agreed with the Auditor. This fee is offset by a rebate of £4k received from the Audit Commission, and is subject to the Audit Commission agreeing that it may be charged.

4. Risk Implications

- 4.1 The work carried out by the auditor assists the Authority in ensuring that arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money.
- 4.2 Failure to act upon the suggestions made by the auditor may affect the ability of the Authority in ensuring that such arrangements remain in place.

5. HR Implications

- 5.1 There are no HR implications associated with this report.

6. Environmental Implications

- 6.1 There are no environmental implications associated with this report.

7. Financial Implications

- 7.1 There are no financial implications associated with this report.

8. Legal Implications

- 8.1 It is a requirement of the Audit Commission's Code of Practice, under the Audit Commission Act 1998 that the external auditor's Annual Audit Letter in respect of the external audit for 2013-14 is brought to the attention of all Members of the Authority. This report and the appendix which is the Auditors letter meets that requirement as it has been circulated to all Members.

9. Conclusion

- 9.1 Members are asked to note the findings of the external auditor, as presented at this meeting.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.