

**ANNUAL AUDIT LETTER - 2012/13 AUDIT**  
**WDA/47/13**

**Recommendation**

That:

1. Members note the contents of the Annual Audit Letter

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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 2012/13 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 27<sup>th</sup> September 2013.
- 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 2012/13 and the auditor issued an unqualified opinion for each.

**3. 2012/13 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 2012/13 which is attached at Appendix 1.

- 3.3 The 2012/13 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 2012/13 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 that there were some control issues identified in the governance report that are reflected in the Annual Audit Letter, these related to:
- Reviewing the fixed asset register and the revaluation reserve as well as strengthening journal controls.
- 3.6 These issues are being addressed and the Authority is taking some specialist advice on how the matters should be managed in future.
- 3.7 The Auditor has also highlighted a key issue for the Authority to consider as a current and future challenge for Members to be aware of:
- The RRC procurement, and the management of the contract in the future

#### **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. Conclusion**

8.1 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.