

MEETING:	Audit and Governance Committee
MEETING DATE:	29 September 2014
TITLE OF REPORT:	Review of the Council's Audit Findings Report for 2013/14
REPORT BY:	Chief Finance Officer

1. Classification

Open

2. Key Decision

This is not an executive decision.

3. Wards Affected

County-wide

4. Purpose

4.1 To update the committee on the improved audit findings for 2013/14.

5. Recommendation

THAT the report be noted.

6. Alternative Options

6.1 There are no alternative options.

7. Reasons for Recommendations

7.1 The external auditors are required to produce an annual audit findings report on the financial resilience, value for money and statement of accounts of the council.

8. Key Considerations

8.1 The auditors reviewed the financial resilience, value for money and statement of accounts of the council by looking at key indicators of financial performance, its approach to strategic financial planning, its approach to financial governance and its approach to financial control.

8.2 The overall conclusion has improved to a green assessment in these areas. The 2012/13 report concluded that the council faced very significant financial risks which

needed to be responded to urgently. Action has been taken in 2013/14 to reduce these risks significantly.

8.3 In 2012/13 Grant Thornton assessed the following areas as amber rated;-

- Key indicators of financial performance
- Strategic Financial Planning
- Financial Governance
- Financial Control

These have now been reassessed as green, meaning adequate arrangements are now in place. In addition the 2012/13 assessment rated the council reserve position to be red, inadequate, this is now green due to the delivery of a break even position in 2013/14, the setting aside of specific reserves and the increase in the general fund reserve balance above the policy of 3% of our net budget.

9. Community Impact

9.1 There is no community impact arising from this report.

10. Equality and Human Rights

10.1 The content of the report has no direct impact on equality or human rights.

11. Financial Implications

11.1 There are no financial implications arising from this report.

12. Legal Implications

12.1 This report has no legal implications.

13. Risk Management

13.1 The Audit Report Findings reviews the risk management arrangements of the council's finances.

14. Consultees

14.1 S151 Officer

15. Appendices

15.1 Appendix A - Grant Thornton, The Audit Findings for Herefordshire Council

16. Background Papers

16.1 None.