

MEETING:	AUDIT AND GOVERNANCE COMMITTEE
MEETING DATE:	26 NOVEMBER 2014
TITLE OF REPORT:	ANNUAL AUDIT LETTER 2013/14
REPORT BY:	CHIEF FINANCE OFFICER

Classification

Open

Key Decision

This is not an executive key decision

Wards Affected

County-wide

Purpose

- 1 To consider and note the external auditor's statutory Annual Audit Letter (AAL) for 2013/14 which primarily sets out the unqualified audit opinion on both the financial statements and Value for Money conclusion.
- 2 The AAL is intended to communicate key messages to the Council and external stakeholders.

Recommendation

THAT

The Audit & Governance Committee discuss and take note of the content of the Annual Audit Letter for 2013/14 attached to this report.

Alternative Options

- 3 This is a report reflecting the statutory Annual Audit Letter process and therefore no alternative options are outlined.

Reasons for Recommendation

- 4 The Code of Audit Practice in Local Government requires the external auditor to report to those charged with governance the conclusions they have drawn from their audit work and their opinion on the financial statements and Value for Money.

Key Considerations

- 5 The external auditors issued an unqualified opinion on the statement of accounts for

2013/14 and reported improvements in both the quality and timeliness thereof.

- 6 An unqualified conclusion was issued in respect of Value for Money, an improvement on the qualified opinion issued in 2012/13. The external auditors are satisfied that the Council has proper arrangements in place securing the economy, efficiency and effectiveness in its use of resources.
- 7 The external auditors have highlighted four recommendations for the council to focus on in the coming year; the closedown process, property valuations, management of savings schemes and commitment accounting. Improvements are already being progressed in all of these areas.
- 8 The Letter refers to the Public Interest Disclosure Act (PIDA) report presented to the Committee on the 9 September 2014 and the receipt of a formal objection to the accounts in relation to the Energy from Waste facility.

Community Impact

- 9 None.

Equality and Human Rights

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

Financial Implications

- 11 The external audit fee is detailed in Appendix B of the Letter and is slightly higher than envisaged due to the large volume of correspondence received in relation to the Energy from Waste plant.

Legal Implications

- 12 This report has no legal implications.

Risk Management

- 13 The Audit and Governance Committee has responsibility for corporate governance and will mitigate risks by overseeing the delivery of the recommendations identified in the external auditor's Annual Audit Letter for 2013/14.

Consultees

- 14 None.

Appendices

Appendix 1 Annual Audit Letter 2013/14

Background Papers

None.