

# ITEM 4

Time Commenced: 6.00pm  
Time Finished: 7.39pm

## **AUDIT AND ACCOUNTS COMMITTEE 24 September 2013**

**Present:** Councillor Davis (Chair)

### **21/13 Apologies for Absence**

Apologies for absence were received from Councillor Roberts.

### **22/13 Late Items**

There were no late items.

### **23/13 Declarations of Interest**

There were no declarations of Interest.

### **24/13 Minutes**

The minutes of the meeting held on 4 September 2013 were agreed as a correct record and signed by the Chair.

### **25/13 External Audit Annual Report to those Charged with Governance 2012/13 (ISA 260)**

The Committee received a report from the Strategic Director of Resources, which was introduced by the Director of Finance and Procurement. The Committee was informed that as part of the International Standard on Auditing 260 (ISA 260) the Council's external auditor, Grant Thornton UK LLP, was required to report the outcome of the audit of accounts 2012/13. The audit findings were presented by Philip Jones and Mark Surridge on behalf of Grant Thornton.

The Committee noted that the final issue of an audit certificate had been withheld by the external auditors pending the resolution of a (national) issue regarding an objection to the accounts. The objection had been submitted by a member of the public and pertained to taxi licensing. It was further noted that the external auditors anticipated the provision of an unmodified opinion. The Committee understood that the Council had produced two years of accounts (2011/12 and 2012/13) rather than the recommended three years. This was because the Council believed that the benefit of providing a further year of accounts was outweighed by the resulting pressure on time and resources.

The Committee gave careful consideration to the key matters arising from the audit, including minor adjustments (which did not make a material difference to the overall

presentation of the Council's reported financial performance) and the value for money conclusion. The Committee noted that in the external auditor's opinion, the financial statements gave a fair and true view of the financial position of both the Council and the Group as at 31 March 2013 and of their expenditure for the year then ended. The Committee understood that the external auditor believed that the financial statements had been properly prepared in accordance with the CIPFA/ILASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2012/13. The Committee accepted the external auditor's opinion that the Council had put in place the proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2013.

**Resolved:**

- 1. to note the annual report from the external auditor (Grant Thornton UK LLP) attached at Appendix 2 of the report detailing the audit findings together with recommendations and to request updates on the Action Plan contained within the report at a future meeting; and**
- 2. that based on the findings and recommendations arising from the external auditor's report and to the best of the Committee's knowledge, there are no specific matters that prevent the formal adoption of the financial statements.**

**26/13          Statement of Accounts 2012/13 Post Audit Approval**

The Committee received a report from the Strategic Director of Resources which presented the final statement of accounts for 2012/13. The Committee examined the statement of accounts (Appendix 2) together with the capital financial determinations 2012/13 (Appendix 5).

The Committee received a document (Appendix 3) which highlighted changes (technical adjustments) to the draft statement of accounts, which had been implemented since the Committee last considered the draft statement in June 2013. The Committee also considered the draft letter of representation (Appendix 4).

**Resolved to:**

- 1. approve the final statement of accounts for the 2012/13 financial year at Appendix 2 of the report which include final adjustments made following the audit, as explained in Appendix 3 of the report;**
- 2. note that a number of issues were identified by the external auditors, which have led to audit adjustments being made to the draft statement of accounts that was previously presented to the Committee in June 2013;**
- 3. note that the external auditor anticipates the issue of an unqualified audit**

**opinion, subject to the completion of any outstanding audit testing and this Committee's approval of the accounts, together with acceptance of the external audit memorandum;**

- 4. confirm that to the best of the Committee's knowledge, it is satisfied the proposed management letter of representation regarding the 2012/13 statement of accounts (at Appendix 4) may be signed by the Strategic Director of Resources and the Chief Executive in good faith; and**
- 5. agree the capital determination (Appendix 5 of the report) be recommended for approval.**

## **27/13      Annual Report 2012/13**

The Committee considered a joint report from the Chief Executive and the Strategic Director of Resources. The report was outlined by the Head of Performance and Improvement. The Head of Service explained that the Council produced an Annual Report each year to publicise its achievements and progress made in delivering its Council Plan priorities.

The Committee understood that this year's Annual Report had been produced in two parts. Firstly, a summary document which provided highlights from each Cabinet Portfolio, and which was due to be printed and distributed to key stakeholders. Secondly, a consolidated online version of the Annual Report which included the Statement of Accounts, Annual Governance Statement and performance outturn data.

This Committee was invited to review the draft Summary Annual Report 2012/13 prior to its consideration by Council Cabinet on 16 October 2013.

**Resolved to note the invitation extended to the Committee to submit comments on the draft Summary Annual Report 2012/13 to the Head of Performance and Improvement prior to its consideration by Council Cabinet on 16 October 2013.**

Minutes End