REDDITCH BOROUGH COUNCIL

AUDIT & GOVERNANCE COMMITTEE **Date: 16th January 2014**

GRANT THORNTON – ANNUAL AUDIT LETTER 2012/13

Relevant Portfolio Holder	Councillor John Fisher
Portfolio Holder Consulted	No
Relevant Head of Service	Jayne Pickering
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

1. SUMMARY OF PROPOSALS

1.1 To present Members with the Annual Audit letter for 2012/13 from the Councils External Auditors Grant Thornton.

2. RECOMMENDATIONS

2.1 **The Committee is asked to note the report.**

3. KEY ISSUES

Financial Implications

3.1 There are no specific financial implications as a result of this report. The fee of £94k was charged in connection with the External Audit work undertaken during 2012/13.

Legal Implications

3.2 None as a direct result of this report. The Council has a legally binding contract with Grant Thornton to provide the External Audit service for at least the next 5 years.

Service / Operational Implications

3.3 External Auditors have a duty to carry out all work necessary to meet their statutory responsibilities in accordance with the Code of Audit Practice.

3.4 The Annual Audit Letter as attached at Appendix 1 focuses on 3 areas:

- Audit of Financial Statements
- Value for Money Conclusion
- Certification of grant claims and returns

3.5 There are a number of points raised within the report:

- An unqualified opinion received on the 2012/13 accounts
- A unqualified opinion in relation to value for money
- Assurance of the Whole of Government Accounts Statement was made to the National Audit Office
- 2 grant claims were audited without amendment.

3.6 In addition a number of issues were raised for the Council to monitor and manage:

- Financial Pressures – to be clear on levels of savings to be realised
- Business Rate Pooling – to understand the future forecasting of business rates
- Transformation – to pursue savings whilst improving service delivery
- Welfare Reform – to assess the impact of welfare reform changes on the services provided by the Council

Customer / Equalities and Diversity Implications

3.7 There are no implications arising out of this report.

4. RISK MANAGEMENT

4.1 As part of all audit work the auditors undertake a risk assessment to ensure that adequate controls are in place within the Council so reliance can be placed on internal systems.

5. APPENDICES

Appendix 1 – Annual Audit Letter

6. BACKGROUND PAPERS

Individual internal audit reports.

7. KEY

N/a

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