

REDDITCH BOROUGH COUNCIL

AUDIT, GOVERNANCE AND STANDARDS COMMITTEE 23rd April 2015

GRANT THORNTON : AUDITING STANDARDS - COMMUNICATION WITH THE AUDIT & GOVERNANCE COMMITTEE AND EXECUTIVE

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|---------------------------------|---|
| Relevant Portfolio Holder | Councillor John Fisher |
| Portfolio Holder Consulted | Yes |
| Relevant Head of Service | Jayne Pickering – Exec Director Finance and Resources |
| Ward(s) Affected | All |
| Ward Councillor(s) Consulted | No |
| Key Decision / Non-Key Decision | Non–Key Decision |

1. SUMMARY OF PROPOSALS

- 1.1 To present Members with the Auditing Standards – Communication with the Audit & Governance Committee and Executive report for 2014/15 from the Councils External Auditors Grant Thornton.

2. RECOMMENDATIONS

- 2.1 **The Committee is asked to note the report and management responses.**

3. KEY ISSUES

Financial Implications

- 3.1 There are no financial implications as a direct result of this report however robust internal financial control mechanisms as confirmed within this report reduce the costs associated with fraud and inaccurate accounting arrangements.

Legal Implications

- 3.2 Grant Thornton have a responsibility to ensure that robust systems are in place together with proactive communications with those charged with Governance.

Service / Operational Implications

- 3.3 External Auditors have a duty in planning and performing their audit of the financial statements to understand how Executive, supported by the Council's management, and the Audit, Governance and Standards Committee meets its responsibilities in the following areas:

- Fraud
- Law and regulation

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- Going concern
- Related parties
- Accounting for estimates

The report attached at Appendix 1 details the management response in relation to the controls that are in place within Redditch Borough Council to ensure that arrangements are in place to support the financial and operational management of the organisation. There are no specific concerns that have been highlighted by the External Auditors.

Customer / Equalities and Diversity Implications

3.4 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 – Grant Thornton : Auditing Standards – Communication with the Audit & Governance Committee and Executive report for 2014/15

6. BACKGROUND PAPERS

Individual internal audit reports.

7. KEY

N/a

AUTHOR OF REPORT

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