

AUDIT AND RISK COMMITTEE

22 September 2015

EXTERNAL AUDIT ANNUAL GOVERNANCE REPORT 2014/15

Report of the Director for Resources

Strategic Aim:	Delivering Council services within our Medium Term Financial Plan	
Exempt Information	No	
Cabinet Member (s) Responsible:	Councillor King – portfolio holder for Places (Development and Economy) and Resources	
Contact Officer(s):	Saverio Della Rocca, Assistant Director – Finance (S151 Officer)	Tel: 01572 758159 sdellarocca@rutland.gov.uk
	Andrew Merry, Finance Manager	Tel: 01572 758152 amerry@rutland.gov.uk
Ward Councillors	Not Applicable	

DECISION RECOMMENDATIONS

That the Audit and Risk Committee:

- a) receive the Annual Governance Report (AGR) and consider any issues arising; and
- b) consider the letter of representation in Appendix 1 and approve it to be signed by the Chair of Audit and Risk and the s151 Officer (the Assistant Director - Finance).

1 PURPOSE OF THE REPORT

1.1 This report presents the findings and conclusions from the External Auditors work in relation to:

- The Council's 2014/15 financial statements; and
- 2014/15 conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources ('VFM conclusion').

2 BACKGROUND AND MAIN CONSIDERATIONS

2.1 The Statement of Accounts (SoA) was approved for publication by the Assistant Director - Finance on 30th June 2015 and submitted to the external auditor, together with accompanying working papers for the start of the audit.

- 2.2** A number of minor presentational changes were agreed with the external auditor during the course of the audit and these have been incorporated into the SoA that is reported to you for approval on a separate item on the agenda. None of the changes have affected the overall financial position and the General Fund balance at 31st March 2015.
- 2.3** Members will be pleased to note that the Council is again due to receive an unqualified audit opinion on the Statement of Accounts. The Auditors have not yet completed their work on the Value for Money conclusion but will update the Audit and Risk Committee at its 22 September 2015 meeting and if possible will share their proposed conclusion. No recommendations have been made relating solely to this year's Statement of Accounts but there is one issue brought forward from last year which the Council has responded to in Appendix 1 of AGR.
- 2.4** The external auditor raised an issue in the prior year relating to the disclosure of Related Party Transactions within the Statement of Accounts as some Members had not completed annual declarations as is required. The completeness of the declarations for 2014/15 was worse than in the previous years with 10 Members returns not received. The previous year's recommendation still applies and Audit and Risk Committee should monitor the process in future years and follow up any individual cases of non declaration.
- 2.5** The Council is required to provide a signed version of the letter of representation (Appendix A) stating the basis upon which the SoA have been compiled. The external auditors sometimes request specific assurances about certain areas but this is not the case in this instance.

3 CONSULTATION

- 3.1** No formal consultation is required on this report, other than it be received by the Audit and Risk Committee at the time it considers the statement of accounts.

4 ALTERNATIVE OPTIONS

- 4.1** The Audit and Risk committee could choose not to provide the necessary representations to the external auditor but this would result in the Council not meeting its statutory duty to approve and publish audited accounts by the 30 September 2015.

5 FINANCIAL IMPLICATIONS

- 5.1** There are no financial implications arising from this report.

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1** Section 3 of Part 3 of the Councils Constitution state that it is the responsibility of the Audit and Risk Committee to consider any reports from the external auditors.
- 6.2** Other than the statutory requirement to publish the signed audited accounts by the 30 September 2015, there are no further legal considerations.

7 EQUALITY IMPACT ASSESSMENT

7.1 An Equality Impact Assessment (EqIA) has been completed. No adverse or other significant issues were found

8 COMMUNITY SAFETY IMPLICATIONS

8.1 There are no community safety implications.

9 HEALTH AND WELLBEING IMPLICATIONS

9.1 There are no health and wellbeing implications.

10 CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

10.1 This report presents the findings from the External Auditors work and provides an independent external view to the Committee which it can consider prior to approving the Statement of Accounts in line with their constitutional responsibility.

11 BACKGROUND PAPERS

11.1 None

12 APPENDICES

- Appendix A – Annual Governance Report
- Appendix B – Letter of representation (To Follow)
- Appendix C – Supplementary Annual Governance Report

A Large Print or Braille Version of this Report is available upon request – Contact 01572 722577. (18pt)