

AUDIT AND RISK COMMITTEE

26 January 2016

EXTERNAL AUDIT UPDATE

Report of the Director for Resources

Strategic Aim:	All		
Exempt Information		No	
Cabinet Member(s) Responsible:		Councillor Terry King, Portfolio Holder for Resources	
Contact Officer(s):	Debbie Mogg, Director for Resources		Tel: 01572 758358 dmogg@rutland.gov.uk
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Ward Councillors	N/A		

DECISION RECOMMENDATIONS

That the Committee notes the update from the external auditors, KPMG LLP

1 PURPOSE OF THE REPORT (MANDATORY)

- 1.1 To update the Committee on various technical matters and report progress on the external audit of the Statement of Accounts for 2014/15 and 2015/16.

2 BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The report in Appendix 1 includes a progress update on the audit for 2014/15 and 2015/16.
- 2.2 The auditors have completed the audit of the 2014/15 accounts and issued the audit opinion. The Annual Audit Letter (AAL) was also issued in late October. The AAL did not highlight any issues to be addressed by this Committee. External audit have not yet issued the audit certificate for 2014/15 as they were looking into matters raised regarding the Oakham North position. The auditors will update the Committee at the meeting itself.
- 2.3 The auditors have also recently issued an Annual Report on Grants and Return work for 2014/15. This is included in Appendix 2. There are no issues to note.

- 2.4 The progress report also updates on progress with the 2015/16 audit and the key point to note is that an audit plan will be issued shortly. The auditors have also highlighted changes to the Value for Money conclusion they are required to make. Officers view is that these changes will not have any substantial impact on the work of the Council.
- 2.5 The report also includes various technical updates on matters relevant to the remit of the Council and this Committee, including:
- The Local Government Finance Settlement – the impact on Rutland is worked through in detail in the Council's 16/17 budget report;
 - The new local audit framework – this will allow local councils to appoint their own external auditors from 2018/19. Officers are not supportive of this change. Officers recognise the value of the Council having external auditors appointed and regulated by an independent body and believe that there is little benefit to be gained from the Council undertaking a costly procurement process led by Council Members to appoint an audit firm. The Sector is looking at whether existing arrangements can continue in some form and the Council will monitor developments with interest; and
 - Changes to the Code of Practice on Local Authority Accounting including the reporting of Infrastructure Assets – there is a separate report on this matter on the agenda.

3 CONSULTATION

- 3.1 No formal consultation is required.

4 ALTERNATIVE OPTIONS

- 4.1 The Committee is asked to note the report. There are no alternatives.

5 FINANCIAL IMPLICATIONS

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

6 LEGAL AND GOVERNANCE CONSIDERATIONS

- 6.1 The Audit and Risk Committee is responsible for receiving the reports of external audit, acting on any relevant matters and approving of the Statement of Accounts.

7 EQUALITY IMPACT ASSESSMENT

- 7.1 An Equality Impact Assessment (EqIA) has not been completed as this report does not impact on Council policies and procedures.

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 It is important that the Committee understand the progress of external audit work and any changes to the scope of that work.

11 BACKGROUND PAPERS

- 11.1 There are no additional background papers to the report.

12 APPENDICES

Appendix 1 – External Audit progress report

Appendix 2 – Annual Report on grants and returns

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