

<b>28 November 2013</b>		<b>ITEM: 11</b>
<b>Standards &amp; Audit Committee</b>		
<b>Annual Audit Letter</b>		
<b>Report of:</b> Sean Clark, Head of Corporate Finance		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non-key	
<b>Accountable Head of Service:</b> Sean Clark, Head of Corporate Finance		
<b>Accountable Director:</b> Graham Farrant, Chief Executive		
<b>This report is Public</b>		
<b>Purpose of Report:</b> To present to the Committee the draft Annual Audit Letter for the Year Ended 31 March 2013 from our external auditors, Ernst and Young.		

## **EXECUTIVE SUMMARY**

The external auditors are responsible for:

- ❖ Forming an opinion on the Financial Statements;
- ❖ Reviewing the Annual Governance Statement;
- ❖ Forming a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources; and
- ❖ Undertaking any other work specified by the Audit Commission.

The Annual Audit Letter summarises this work and is appended to this report.

### **1. RECOMMENDATIONS:**

- a) **That the Standards and Audit Committee consider the comments of our external auditors as set out in the attached report and note their findings.**

### **2. INTRODUCTION AND BACKGROUND**

- 2.1. The Annual Audit Letter sets out the most significant findings from the audit in relation to the risk areas identified in the audit plan. These were largely positive although there are some areas of improvement identified (discussed at the previous meeting).

- 2.2. The main messages though were that both the accounts and the value for money assessment were unqualified and that the changes made to the accounts as a result of the audit did not change the Council's outturn position or reserve levels.

### **3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:**

- 3.1. Although the report is significantly more positive than previous years, there are still areas identified for further improvement. Officers will learn from these and integrate into the closure process for 2013/14.

### **4. REASONS FOR RECOMMENDATION:**

- 4.1. For the committee to note the findings of the external auditors.

### **5. CONSULTATION (including Overview and Scrutiny, if applicable)**

- 5.1. The Annual Audit Letter summarises the reports that have previously been communicated to Members of the Standards and Audit Committee.

### **6. IMPACT ON CORPORATE POLICIES, PRIORITIES, PERFORMANCE AND COMMUNITY IMPACT**

- 6.1. There are no implications arising from the Annual Audit Letter.

### **7. IMPLICATIONS**

#### **7.1. Financial**

Implications verified by: **Sean Clark**  
Telephone and email: **01375 652010**  
**sclark@thurrock.gov.uk**

There are no direct financial implications arising from this report.

#### **7.2. Legal**

Implications verified by: **David Lawson**  
Telephone and email: **01375 652087**  
**dlawson@thurrock.gov.uk**

There are no direct legal implications arising from this report.

#### **7.3. Diversity and Equality**

Implications verified by: **David Lawson**  
Telephone and email: **01375652087**  
**dlawson@thurrock.gov.uk**

There are no specific implications from this report.

7.4. **Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

There are no specific implications from this report.

**BACKGROUND PAPERS USED IN PREPARING THIS REPORT (include their location and identify whether any are exempt or protected by copyright):**

- There are various working papers within accountancy.

**APPENDICES TO THIS REPORT:**

- Appendix 1 – The Annual Audit Letter

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