

9 December 2014		ITEM: 9
Standards & Audit Committee		
Thurrock Annual Audit Letter 2013-2014		
Wards and communities affected: All	Key Decision: Non-key	
Report of: Sean Clark, Head of Corporate Finance		
Accountable Head of Service: Sean Clark, Head of Corporate Finance		
Accountable Director: Graham Farrant, Chief Executive		
This report is Public		

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. Recommendation(s)

1.1 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 main message is the auditors issued an unqualified audit opinion on the 2013-14 financial statements and an unqualified value for money conclusion.

2.2. The Annual Audit Letter sets out findings from the audit in relation to the three significant risk areas identified in the audit plan. The Council positively addressed all of these risks as noted in section two of the report.

- 2.3 There was one further key finding raised by the annual audit letter. The Council received two unexpected items of information from external organisations following the completion of the financial statements which could potentially have been adjusted for within the statements. The Council decided not to adjust for these as the items were not material and had no impact on the Council's useable reserves. The approach was notified to and agreed with the auditors and no further issues of significance were raised by the audit.
- 2.3 Overall the financial statements produced were shown to be of a very high standard and supported by relevant supporting records. Officers worked hard to support the audit process and resolve queries quickly and effectively.

3. Issues, Options and Analysis of Options

- 3.1 The report continues the positive work from the previous year and officers continue to work to maintain the high standard of the financial accounts.
- 3.2 The Council is working to meet the significant financial challenges caused by ongoing reductions in funding and continue to monitor the position through the Medium Term Financial Strategy.

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**
Head of Corporate Finance

There are no direct financial implications arising from this report.

7.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Legal & Deputy Monitoring Officer

7.3 Diversity and Equality

Implications verified by: **David Lawson**
Deputy Head of Legal & Deputy Monitoring Officer

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

There are no specific implications from this report.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- There are various working papers within accountancy.

9. Appendices to the report

- Appendix 1 – The Annual Audit Letter

Report Author:

Sean Clark

Head of Corporate Finance

Corporate Finance