

<b>6 February 2013</b>		<b>ITEM: 5</b>
<b>Standards &amp; Audit Committee</b>		
<b>EXTERNAL AUDIT: PROGRESS REPORT AND OTHER MATTER</b>		
<b>Report of:</b> Martin Hone, Director of Finance & Corporate Governance		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> No	
<b>Accountable Head of Service:</b> Sean Clark, Head of Corporate Finance		
<b>Accountable Director:</b> Martin Hone, Director of Finance & Corporate Governance		
<b>This report is public</b>		
<b>Purpose of Report:</b> To advise the Committee on progress against the agreed audit plan and to update on the fees for 2012/13, as well as a general briefing on related issues.		

### **EXECUTIVE SUMMARY**

This report is for noting: attached are three papers from Ernst & Young, the Council's external auditors, relating to progress against the agreed audit plan; their fees for 2012/13; and a general briefing on related issues.

#### **1. RECOMMENDATIONS:**

**1.1 That the report be noted.**

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

2.1 As the Committee will know, the Council's external auditors were, until September 2012, were the Audit Commission. Following the abolition of the Commission, the audit practice transferred to Ernst & Young. This report covers:

- The work they have carried out against the agreed audit plan since November 2012;
- The annual audit fee for 2012/13, covering the audit of the Council's financial statements, their value for money conclusion, and the Whole of Government accounts;
- The first issue of Ernst & Young's 'Audit Committee Briefing'.

The auditors will be available at tonight's meeting to answer any questions that members may have.

## **7. IMPLICATIONS**

### **7.1 Financial**

Implications verified by: **Martin Hone**  
 Telephone and email: **01375 652412**  
**mhone@thurrock.gov.uk**

Committee are asked to note the reduction in audit fees for 2012/13 compared to previous years. The Director of Finance & Corporate Governance has given a commitment to ensure that fees are kept to an absolute minimum and that in particular additional payments to Ernst & Young will only be considered in exceptional circumstances.

### **7.2 Legal**

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

The Council's Financial Statement must be prepared in accordance with the provisions of the Accounts and Audit Regulations 2003. These Regulations include a requirement for authorities to be responsible for their financial management, and to have a sound system of internal control. There is also a requirement for authorities to follow proper internal audit practices.

### **7.3 Diversity and Equality**

Implications verified by: **Samson DeAlyn**  
 Telephone and email: **01375 652472**  
**SDeAlyn@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**

None.

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

- None.

**APPENDICES TO THIS REPORT:**

- 'Thurrock Council – Audit Progress Report' Ernst & Young January 2013
- 'Thurrock Council – Annual Audit Fee' Ernst & Young 17 December 2012
- 'Audit Committee Briefing' Ernst & Young December 2012

**Report Author Contact Details:**

**Name:** Martin Hone

**Telephone:** 01375 652412

**E-mail:** [mhone@thurrock.gov.uk](mailto:mhone@thurrock.gov.uk)