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| 18 April 2013 | | ITEM: 6 |
| Standards & Audit Committee | | |
| STANDARDS & AUDIT COMMITTEE'S ASSURANCE FROM MANAGEMENT, PROCESSES AND ARRANGEMENTS | | |
| Report of: Cllr T Ojetola, Chair of Standards & Audit Committee; Martin Hone, Director of Finance & Corporate Governance | | |
| Wards and communities affected: All | Key Decision: Non-Key | |
| Accountable Head of Service: Sean Clark, Head of Corporate Finance | | |
| Accountable Director: Martin Hone, Director of Finance & Corporate Governance | | |
| This report is Public | | |
| Purpose of Report: As part of their annual cycle of work, the Council's auditors (Ernst & Young) are required to formally update their understanding of the management processes and arrangements relating to assurance. | | |

EXECUTIVE SUMMARY

As part of their annual cycle of work, the Council's auditors (Ernst & Young) are required to formally update their understanding of the management processes and arrangements relating to assurance. Both the Chair of the Standards & Audit Committee and the Director of Finance & Corporate Governance are required to write to the auditors in response to a series of specific questions about these matters. For information, the draft responses are set out in this report.

1. RECOMMENDATIONS:

- 1.1 That the Committee agree and note the draft responses from the Chair and the Director of Finance & Corporate Governance.**

2. INTRODUCTION AND BACKGROUND:

- 2.1** On 6 March, the Council's auditors wrote separately to the Chair of the Standards & Audit Committee and the Director of Finance & Corporate Governance requesting information about arrangements for assurance. Though broadly similar in content, the letter to the Chair focuses on how this Committee gains assurance from management, while the letter to the Director focuses on processes and internal arrangements. The letters are attached as

Appendices 1 and 2 to this report. Appendix 3 sets out the proposed responses from the Chair of the Audit Committee and the Director of Finance & Corporate Governance.

3. ISSUES, OPTIONS AND ANALYSIS OF OPTIONS:

3.1 The report is only for noting as it is the report of the external auditors.

4. REASONS FOR RECOMMENDATION:

4.1 So that the Committee acknowledge the responses to questions from the Council's external auditors.

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

5.1 There has been no consultation on this report.

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

6.1 Robust financial processes safeguard the Council's assets that support the Council in delivering its policies and priorities.

7. IMPLICATIONS

7.1 Financial

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

The financial implications are as set out in the report and the appendices.

7.2 Legal

Implications verified by: **Fiona Taylor**
Telephone and email: **07530 262 582**
fiona.taylor@bdtlegal.org.uk

3.2.1 The contents of this report and appendices form part of the Council's responsibility to comply with the Audit Commission Act 1998 and the Accounts and Audit (England) Regulations 2011 and the requirement to produce an Annual Governance Statement.

3.2.2 The process is an evidence based "assurance" that the Council is operating in all its activities according to a robust governance framework and operates a sound system of internal control. Key considerations are that policies are fit for purpose and in accordance with best practice with specific due regard to the Codes of Conduct, the promotion of ethical governance by

local codes introduced by the Localism Act 2011. Recent initiatives include the recording of interests and hospitality and the monitoring of whistle blowing and fraud allegations.

7.3 Diversity and Equality

Not applicable.

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):

- Various working papers supporting the financial statements held in Corporate Finance.

APPENDICES TO THIS REPORT:

- Appendix 1 – Letter to Cllr Ojetola; Ernst & Young; 6 March 2013
- Appendix 2 – Letter to M Hone; Ernst & Young; 6 March 2013
- Appendix 3 – Responses to questions raised by Ernst & Young

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