

8 December 2015		ITEM: 10
Standards and Audit Committee		
Thurrock Annual Audit Letter 2014/15		
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: Lyn Carpenter, 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 2014/15 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 only significant risk area identified in the audit plan. The Council positively addressed this risk as noted in section two of the report.

- 2.3 There was two further key finding raised by the annual audit letter. The first notes the Council accounting treatment for schools was reasonable and the second notes the Council decided not to adjust for a late capital adjustment on the grounds it was not material.
- 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.
- 2.4 In arriving at their value for money conclusion the auditors confirmed the Council has arrangements in place to address the financial resilience risk identified.

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: **Davis Lawson**
Monitoring Officer

There are no legal implications arising from this report.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
**Community Development and Equalities
Manager**

There are no direct diversity implications arising from this report

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