



AGENDA ITEM: 10

**AUDIT AND GOVERNANCE:
29th January 2013**

Report of: Borough Treasurer

Relevant Managing Director: Managing Director (People and Places)

**Contact: Marc Taylor (Extn. 5092)
(E-mail: Marc.Taylor@westlancs.gov.uk)**

SUBJECT: ANNUAL AUDIT LETTER 2011/12 AND PLANNED AUDIT FEE 2012/13

Wards affected: Borough Wide

1.0 PURPOSE OF THE REPORT

1.1 To consider the Audit Commission's Annual Audit Letter 2011/12 and details of Grant Thornton's planned audit fee for 2012/13.

2.0 RECOMMENDATION

2.1 That the Letters be considered and that any questions on them be raised with the External Auditors at the meeting.

3.0 BACKGROUND

3.1 Each year our External Auditors produce an Annual Audit Letter. This Letter provides an overall summary of the auditor's assessment of the Council, based on all of the work that they have undertaken. In addition each year our External Auditors provide details on their fee levels for the next year's audit.

3.2 The Audit Commission have been our external auditors for many years, but from November 2012 Grant Thornton have taken over this responsibility. Consequently the Annual Audit Letter, which related to the 2011-12 accounts and was issued in October 2012, was written by the Audit Commission. However the planned audit fee letter which relates to the 2012-13 audit and was issued in November 2012, has been produced by Grant Thornton. These letters are included in the appendices to these reports. While the bodies providing our external audit service have changed, the staff have remained the same, as they have transferred from the Audit Commission to Grant Thornton.

4.0 CURRENT ISSUES

- 4.1 The Annual Audit Letter provides the Council with a clean bill of health from a financial perspective. No significant issues were identified during the audit of the Statement of Accounts and the Letter concludes that the Council has proper arrangements in place to secure value for money.
- 4.2 The planned audit fees for 2012/13 represent a 40% reduction compared to costs in previous years. This saving has been included in the Major Service Review process and has been built into the budget for the next financial year.
- 4.3 Our external auditors will be attending the meeting and will be able to answer any questions that Members may have on the letters or on the new audit arrangements.

5.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

6.0 RISK ASSESSMENT

- 6.1 The Annual Audit Letter is an integral part of the Council's internal control framework and provides assurance to Members that the Council is operating effectively.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendix

Appendix A - Audit Commission Annual Audit Letter 2011/12

Appendix B – Grant Thornton Planned Audit Fee for 2012/13