



AGENDA ITEM: 5

**AUDIT AND GOVERNANCE COMMITTEE:
24 September 2013**

Report of: Borough Treasurer

Relevant Managing Director: Managing Director (People and Places)

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SUBJECT: EXTERNAL AUDIT FINDINGS

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To receive reports from our External Auditors setting out their findings on the audit of the accounts and on the Council's financial resilience.

2.0 RECOMMENDATION

2.1 That the reports be noted.

3.0 BACKGROUND

3.1 A report on the Statement of Accounts for 2012-13 was considered by this Committee at its meeting in June, and subsequently a link to this statement was sent to all Members by e-mail.

3.2 During the Summer months a team of auditors from Grant Thornton has spent several weeks auditing the accounts and reviewing the Statement. The External Auditors are now required to present their findings from this audit in a report to Members.

4.0 AUDIT FINDINGS

4.1 At the time of writing this report the external auditors have almost completed their audit on the accounts. Their findings to date are set out in the Annual Findings Report in Appendix 1. This shows that it is expected that the Council will receive an unqualified opinion on its accounts, which certifies that the accounts provide a true and fair view of the financial position and financial performance of the Council.

4.2 This report also provides an unqualified opinion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources. It concludes that the Council is prioritising its resources within tighter budgets, for example by achieving cost reductions and by improving efficiency and productivity.

4.3 Representatives of Grant Thornton will attend the Committee meeting to present their findings and answer any questions that Members may have on the audit of the accounts.

5.0 FINANCIAL RESILIENCE

5.1 As part of the statutory external audit, a review is performed to determine if the Council has proper arrangements in place for securing financial resilience. This includes consideration of whether the Council has robust financial systems and processes in place to manage its financial risks and opportunities and to secure a stable financial position that enables it to continue to operate for the foreseeable future. Details of this review are contained in the financial resilience report in Appendix 2.

5.2 The overall result from this review is that the Council is given a green rating in each category considered, which means that arrangements meet or exceed adequate standards. Key points to note include:

- Processes for developing and reviewing the business plan are effective
- The Council has been effective in achieving the focus and savings it has set out to achieve
- Overall financial governance arrangements are operating effectively with appropriate reporting to members and officers
- The Council has maintained a strong track record in effective and informed financial management

5.3 Representatives of Grant Thornton will present their report at the Committee meeting and will be able to answer any questions that Members may have on their findings.

6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

6.1 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.

7.0 RISK ASSESSMENT

7.1 The audit of the Statement of Accounts is part of the overall control framework that is designed to ensure that the Council properly accounts for the use of its assets and resources.

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.

Appendices

Appendix 1 – The Audit Findings for West Lancashire Borough Council (TO FOLLOW)

Appendix 2 – Review of the Council's Arrangements for Securing Financial Resilience