

AUDIT COMMITTEE

3 December 2015

ANNUAL AUDIT LETTER 2014/15

REPORT OF CHIEF FINANCE OFFICER

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RECENT REFERENCES:

AUD130: Audit Results Report for the year ended 31 March 2015, 24 September 2015

EXECUTIVE SUMMARY:

The Council's external auditors, Ernst and Young LLP have now presented the Annual Audit Letter (AAL) for 2014/15, which is appended.

The purpose of the AAL is to communicate the key issues arising from the External Auditors' work to all Members and external stakeholders including members of the public.

The presentation of this letter marks the conclusion of the external audit work in relation to the 2014/15 financial year. The letter has been discussed with officers and has been published on the Council's website. As required by Regulations, the Annual Audit Letter was made available to all members by 31 October 2015.

Representatives of the External Auditors will be present at the meeting to present their findings and answer any questions arising.

RECOMMENDATION:

That the Audit Committee takes the opportunity to discuss the contents of the Annual Audit Letter 2014/15 with the External Auditors and confirms its acceptance of it.

AUDIT COMMITTEE3 DECEMBER 2015ANNUAL AUDIT LETTER 2014/15REPORT OF THE CHIEF FINANCE OFFICERDETAIL:1 Audit results and key findings

The AAL 2014/15 summarises the results of the external auditors work in relation to the 2014/15 financial year. It confirms that an unqualified audit opinion on the Council's financial statements and an unqualified value for money conclusion were both issued and reported to the National Audit Office on the 28 September 2015.

The AAL notes that, in the auditor's view, the process for producing the accounts and draft statements is of a good standard.

OTHER CONSIDERATIONS:2 COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

External Audit findings contribute to the corporate governance arrangements of Winchester City Council, which in turn supports the achievement of the objectives of the District Community Strategy and Portfolio Plans.

3 RESOURCE IMPLICATIONS:

3.1 The planned fee for the 2014/15 audit work was £75,115 but the proposed final fee is £79,651 (subject to approval by Public Sector Audit Appointments Ltd). The proposed fee is in excess of the planned fee as a result of the auditors additional work on the Medium Term Financial Strategy; meetings with officers and the independent reviewer appointed to consider the Silver Hill scheme; and meetings with officers and internal audit to discuss the Council's response to matters raised by an elector concerning River Park Leisure Centre.

3.2 The auditors will issue their Annual Certification Report in January 2016. This summarises their work on the certification of grants and returns relating to 2014/15. The fee for this certification work is planned to be £11,311 but has not yet been finalised.

4 RISK MANAGEMENT ISSUES

4.1 The effective working of the Audit Committee is a critical component in the corporate governance arrangements of the Council, and plays a key role in the overall risk management arrangements of the Council.

BACKGROUND DOCUMENTS:

None

APPENDICES:

Appendix 1 – Annual Audit Letter 2014/15