

**Report To: Corporate Governance Committee**

**Date of Meeting: 26<sup>th</sup> March 2014**

**Lead Member / Officer: Head of Finance & Assets**

**Report Author: Chief Accountant**

**Title: 1. Annual Financial Audit Outline (2013/14 Accounts) and  
2. Notification of the Certification of the 2012/13 Accounts**

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### **1. What is the report about?**

A report entitled 'the Annual Financial Audit Outline' and has been prepared by the Wales Audit Office (WAO) and is attached as Appendix 1. The report sets out matters such as roles and responsibilities, the audit approach, reporting, key elements of audit engagement and the financial audit team.

Providing the Committee with formal notification that the audit certification process for the 2012/13 Statement of Accounts has been completed.

### **2. What are the reasons for making this report?**

The external auditors are required to prepare and present this report in order to discharge their requirements under auditing standards and proper audit practices. The report is provided for information.

To inform members that the 2012/13 Statement of Accounts certification process has been formally concluded.

### **3. What are the Recommendations?**

It is recommended that the Committee consider the content of the WAO report. WAO representatives will attend the meeting to answer questions in relation to the report.

To note that the audit certification process has been formally concluded in respect of the 2012/13 Statement of Accounts.

### **4. Report details**

#### **Annual Audit Outline**

The WAO report provides the Council with an outline of the financial audit work required for the 2013-14 financial statements. It also provides information on the audit approach including the key audit risks that have been identified during the initial planning process and the actions proposed to address them. The financial audit work on these risk areas will be used to inform the audit opinion on the financial statements.

### **Statement of Accounts 2012/13**

Part of the statutory audit process allows for the public inspection of the accounts and invites interested parties to raise questions and objections about transactions within the financial year. Questions were raised on a number of topics directly with the council and information and copies of various documents supplied. The council fulfilled its requirements in this regard. Subsequently, some of the same issues were raised formally as objections under the same process with the Wales Audit Office. At the time the accounts were signed-off by the council in September 2013, Wales Audit Office was still in correspondence with two members of the public who had raised objections.

It can now be confirmed that all correspondence has been concluded and matters resolved. None of the objections raised under the public inspection process resulted in changes to the figures or supporting notes disclosed in the 2012/13 accounts.

#### **5. How does the decision contribute to the Corporate Priorities?**

The audit service is a statutory provision. The Appointed Auditor, under the Public Audit (Wales) Act 2004 is required to examine and certify the financial statements of the Council. The Appointed Auditor is also required to satisfy himself that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

#### **6. What will it cost and how will it affect other services?**

The fees for work undertaken by the WAO in respect of the financial audit have not yet been finalised. Further details as to the reasons are included in their report.

#### **7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?**

Not applicable to the recommendations of this report.

#### **8. What consultations have been carried out?**

The broad content of the report has been discussed with the Head of Finance & Assets and senior members of the Finance Department.

#### **9. Chief Finance Officer Statement**

The annual audit is a statutory provision. Audit fees will be considered when they have been finalised. The fees are an existing budget commitment for the authority. The issues raised under the remit of the public inspection of the accounts did not result in any change to the accounts or any wider governance issues.

**10. What risks are there and is there anything we can do to reduce them?**

The audit process should highlight any significant risks and the management response to addressing or minimising the risk or impact.

**11. Power to make the Decision**

Section 151 of the Local Government Act 1972 requires that the council has proper financial management arrangements in place. The Appointed Auditor is required by the Public Audit (Wales) Act 2004 to examine and certify the accounts of the council and must be satisfied that the accounts have been completed in compliance with the Accounts and Audit (Wales) Regulations 2005.