

TONBRIDGE & MALLING BOROUGH COUNCIL

GENERAL PURPOSES COMMITTEE

02 September 2013

Report of the Director of Finance and Transformation

Part 1- Public

Delegated

1 EXTERNAL AUDITORS REPORT ON THE OUTCOME OF THE AUDIT OF THE STATEMENT OF ACCOUNTS 2012/13

Members are invited to endorse and approve the External Auditors Report on the outcome of the audit of the Statement of Accounts for 2012/13 and request that the Chairman countersigns the Letter of Representation which has been prepared by the Director of Finance and Transformation. This report is to be approved prior to the Engagement Lead signing off the Accounts. The Engagement Lead and or his representative will be at the meeting to present the report and to answer questions.

1.1 Introduction

1.1.1 Our external auditor (Grant Thornton UK LLP) is required to issue a report to those charged with governance covering, amongst other things, the outcome of the audit of the Accounts, and for this to be endorsed and approved before the Accounts are signed off. Under the Council's constitutional arrangements it is this Committee that is charged with governance for this purpose.

1.1.2 In accordance with this requirement, the External Auditors Report on the outcome of the audit of the Statement of Accounts 2012/13 is attached at **[Annex 1]**. The Engagement Lead and or his representative will be at the meeting to present the report and to answer questions.

1.2 Conclusions and Recommendations

1.2.1 Members will note there are no material issues that need to be brought to the attention of the Committee and that the Engagement Lead anticipates being able to issue an unqualified audit opinion on the financial statements and value for money conclusion.

1.2.2 For completeness and in accordance with best practice it is recommended that the Chairman countersigns the Letter of Representation **[Annex 2]** that I have prepared. Accordingly, there is a statement at the end of the letter which reads:

"I can confirm that this letter has been discussed and agreed by the General Purposes Committee on 2 September 2013".

- 1.2.3 If Members agree with the above the countersigned letter will be handed to the Engagement Lead or his representative at the meeting.

1.3 Statement of Accounts

- 1.3.1 As noted at paragraph 1.2.1 I am pleased to report that there were no material or significant issues that need to be brought to the attention of the Committee following the audit.
- 1.3.2 The revised statement does include a small number of minor technical or textual changes. As a result I do not propose circulating copies of the audited Accounts to all Members. For completeness, however, I will be asking the Chairman to sign a copy of the audited Accounts for 2012/13. Further copies may be obtained by contacting my Chief Financial Services Officer, Neil Lawley on 876095, or my Principal Accountant, Paul Worden on 876106 who will be pleased to supply a copy and answer any questions you may have.
- 1.3.3 With regard to value for money it was found that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2013.
- 1.3.4 The work supporting the VFM conclusion includes a review to determine if the Council has proper arrangements in place for securing financial resilience. The overall conclusion is that for each of the areas reviewed the Council has arrangements in place which meet or exceed adequate standards. Based on a traffic light system all but one area reviewed was assessed as green. The one exception was where the identification of savings in later years had yet to be identified. I think this is a fair reflection of our position, and is an area that is very much 'work in progress' both at an officer and Member level. A copy of the report on securing financial resilience can be found at **[Annex 3]**.

1.4 Legal Implications

- 1.4.1 There are a number of legislative requirements to consider in the preparation and publication of the Statement of Accounts which will be addressed as we move through the closedown process. The Engagement Lead has undertaken the audit in accordance with the requirements of the Audit Commission Act 1998.

1.5 Financial and Value for Money Considerations

The cost of the work carried out is as notified to us in the 2012/13 Audit Plan.

1.6 Risk Assessment

- 1.6.1 The Statement of Accounts is a statutory document and, therefore, failure to prepare and publish the Accounts in accordance with proper accounting practice and within the statutory timescale could lead to qualification of the Accounts.

1.7 Equality Impact Assessment

See 'Screening for equality impacts' table at end of report

1.8 Recommendations

1.8.1 Members are **RECOMMENDED** to:

- 1) Approve the External Auditors Report on the outcome of the audit of the Statement of Accounts 2012/13 **[Annex 1]**.
- 2) Request that the Chairman countersign the Letter of Representation **[Annex 2]**.
- 3) Request that the Chairman sign the Accounts in the appropriate place.
- 4) Note the External Auditors Report on the arrangements for securing financial resilience **[Annex 3]**.

Background papers:

Nil

contact: Neil Lawley
Paul Worden

Sharon Shelton
Director of Finance and Transformation

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	N / A	This deals with the requirement for the Engagement Lead to present a report on, amongst other things, the outcome of the audit of the Council's Accounts.

Screening for equality impacts:		
Question	Answer	Explanation of impacts
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	N / A	
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		N / A

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.