

30 September 2014

Audit and Scrutiny Committee

Audit Results Report 2013/14

Report of: *Ernst & Young
Jo-Anne Ireland, Acting Chief Executive*

Wards Affected: *None*

This report is: *Public*

1. Executive Summary

- 1.1 This report updates the Committee on the work undertaken by the External Auditors in respect of the audit of the Council's Statement of Accounts for 2013/14; and proposes the Council's response to some reported adjustments to the accounts.

2. Recommendation(s)

- 2.1 **To receive and note the contents of the Audit Results Report 2013/14.**
- 2.2 **To endorse the decision not to adjust the accounts for the uncorrected audit misstatements reported as Appendix A to the Audit Results Report, for the reasons set out in this report.**

3. Introduction and Background

- 3.1 The Council's External Auditors; Ernst & Young have substantially completed their audit of the Council's Statement of Accounts for 2013/14 and their findings are included within the Audit Results Report attached as Appendix A to this report.

4. Issue, Options and Analysis of Options

- 4.1 Appendix A to the Annual Audit Report details 5 uncorrected audit misstatements. It is proposed not to adjust the accounts for these for the following reasons:

- 4.2 Late valuation report received which identified 7 assets - the accounts have been amended for the 3 assets the values of which changed materially. The amounts in respect of the remaining assets are not material and will automatically be reflected in their value as at 31 March 2015.
- 4.3 Issue brought forward from 2012/13 - the amount involved is not material. Work continues on this issue and the agreed adjustment will be actioned in 2014/15.
- 4.4 Adjustments to the carrying amount of the Pension Reserve and Pension Liability - the change arising from the actuary's revised report is not material and will automatically be reflected in the position as at 31 March 2015.
- 4.5 Double-counting of Council Tax benefit - although this affects the Collection Fund surplus and General Fund balance, the amount is not material and will be adjusted and recognised in 2014/15.
- 4.6 Testing of HRA expenditure - the amount of £910 is adjusted in 2014/15. It is not proposed to amend for the amount of £94,000 which is extrapolated and, in any event, not material.

5. Reasons for Recommendation

- 5.1 A system of sound financial control and governance arrangements underpins all of the services and priorities of the Council.

6. Implications

Financial Implications

Name & Title: Jo-Anne Ireland, Acting Chief Executive

Tel & Email 01277 312712 / jo-anne.ireland@brentwood.gov.uk

- 6.1 These are contained within the Audit Results Report. One of the uncorrected audit misstatements contained in the Audit Results Report increases the reported General Fund balance as at 31 March 2014 by £138,000. This will be corrected in the current year and taken into account in budget setting.

Legal Implications

Name & Title: Chris Potter, Monitoring Officer
Tel & Email 01277 312860 / christopher.potter@brentwood.gov.uk

6.2 All relevant legal considerations have been taken fully into account in compiling this report.

7. Appendices to this report

Appendix A – Audit Results Report
Appendix B – Letter, Audit Results Report

Report Author Contact Details:

Name: Debbie Hanson, Ernst & Young
Telephone: 01223 394590
E-mail: dhanson@uk.ey.com

Name: Jo-Anne Ireland, Acting Chief Executive
Telephone: 01277 312712
E-mail: jo-anne.ireland@brentwood.gov.uk