

6. EXTERNAL AUDIT BUSINESS

REPORT OF: Head of Finance
Contact Officer: Peter Stuart, Head of Finance, ICT and HR
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Wards Affected: All
Key Decision No

1. Purpose of Report

The purpose of this report is threefold: to update the Committee on the audit of our financial year 2012/13, to present a 'Sector Briefing' from our External Auditors; and finally to present the 'Management Assurance' letter for the Committee's approval.

2. Recommendations

The Audit Committee is recommended to:

- a. **note the 2012/13 Audit Progress Report**
 - b. **note the Ernst and Young 'Sector Briefing', and;**
 - c. **agree that the Chairman can sign the Management Assurance letter on behalf of the committee.**
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3. 2012/13 Audit Progress Report - circulated as a separate document

- 3.1 The Progress Report, circulated separately, sets out the current status of the 2012/13 audit. Members will note that there is one risk identified where we have agreed to alter our approach to financial reporting from that taken in previous years. In essence, this is a presentational issue over whether we show the gross or net cost of providing the Census Revenues and Benefits service in our accounts. In prior years, we have shown the gross cost (i.e. before the contributions from partners) but from 2012/13 onwards we will be showing the net cost only in order to comply with International Accounting Standard 31. This does not change the overall net cost of services for the authority. The gross cost of Census will be shown however, in the accounts presented to the Census Joint Committee.
- 3.2 Members should note the report and seek reassurance from the External Auditor on the nature and extent of her work.

4 Local Government Sector Briefing

- 4.1 The Auditor has asked that this briefing be included in these papers.
- 4.2 The report will be of interest to the Committee and is attached for information only.

5 Letter of Management Assurance

- 5.1 This letter draws to the Committee's attention that the financial statements must be 'owned' by the committee and that whilst the statutory officer of the Council is

ultimately responsible for the content of the accounts, there are some responsibilities that are shared.

- 5.2 The committee should be assured that the Head of Finance responds to a similar letter, and for your convenience, a response from the Chairman has been circulated. Members are invited to comment upon that response and agree that the Chairman should sign that letter for the Auditors.

6 Financial implications

- 6.1 There are no financial implications arising from this report.

7 Equalities implications

- 7.1 The report raises no implications of this nature.

8 Risk analysis

- 8.1 No material risks arise from this report

Background Papers

None