

8. 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

To inform the Committee of the External Auditor's Audit Plan for the 2014/15 audit and the progress to that so far, to present the Annual Report for the Certification of Claims and Returns; and finally, to present the 'Management Assurance' letter for the Committee's approval at the next meeting.

2. Recommendations

The Audit Committee is recommended to:

- a. note the 2014/15 Audit Plan and the progress so far;
 - b. note the Annual Report for the certification of Claims and Returns, and;
 - c. delegate the Chairman to draft a response to the Management Assurance letter in consultation with the Head of Finance, in readiness for the next meeting of the Committee.
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3. 2014/15 Audit Plan

3.1 Attached at Annex 1 is the audit plan setting out the timetable that the external auditors, Ernst and Young, intend to follow for the audit of financial statements 2014/15.

3.2 Members will note that there are no specific issues within the plan to report.

4 Annual Report for the Certification of Claims and Returns

4.1 Annex 2 contains this report that sets out the findings from work to certify a number of grant claims and returns. It will be appreciated that grants are a significant income stream for the Authority and it is vitally important that we have claimed and accounted for that income correctly

4.2 The report makes clear that whilst the audit of the business rates proceeded smoothly, the Housing Benefit subsidy audit identified some quality issues with the underlying claims and that this has led to a qualification of the return.

This is the second year that we have been qualified and is not unexpected given the timing issues between being qualified in 12/13 and implementing an action plan more than half way through the following year (2013/14). The effect of the actions taken during 2013/14 should be fully felt in the Subsidy Return for 2014/15.

It should also be noted that this report describes a piece of work that is still in progress and subject to negotiation with both EY and the DWP. Officers are still quantifying the financial effect of this, and the underlying reasons and will verbally update the Committee on the latest position, although it is expected to be significantly below that described within the report.

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 will be circulated in readiness for its approval at the next meeting . If Members have comments, suggestions and views on the content of the letter, and wish to make these known to the Chairman, that would be welcomed.

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