

Audit Committee – 23rd June 2011

## 5. Audit of Financial Controls 2010/11

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### Purpose of the Report

This report introduces the report from the Audit Commission on their findings from their Audit of Financial Controls for 2010/11 (attached as Appendix 1 at the back of this agenda).

### Recommendations

The Audit Committee is asked to note the contents of the Audit of Financial Controls report for 2010/11.

### Introduction

The Audit of Financial Controls Report is included within the remit of the Audit Committee under its terms of reference as follows:

“To consider the effectiveness of SSDC’s risk management arrangements, the control environment and associated anti-fraud and corruption arrangements and seek assurance from management that action has been taken”

“To consider the reports of external audit and inspection agencies and seek assurance from management that action has been taken”

### The Report

The report shows the work carried out by the Audit Commission in preparing the background for the audit of the Statement of Accounts. The authority must put in place arrangements to ensure proper conduct of its financial affairs, and monitor their adequacy and effectiveness. The Audit Commission would be unable to give an unqualified opinion on the Statement of Accounts if the authority has insufficient arrangements in place.

There are two recommendations that have been made to strengthen SSDCs financial arrangements outlined on page 7 of the Audit Commission’s report.

- All budget holders should explain the action that is being taken to recover debts to comply with the Council’s financial procedure.
- *The Financial Procedure Rules have been strengthened in May 2011 to improve instructions for managers on debt recovery. We are currently reviewing the recovery of debt to see if this would be better as a centralised function.*
- The Council should complete the exercise to check the validity of single persons discounts

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- *Council Tax has been carrying out a review of single persons discounts and will report the outcomes of this to Audit Committee by the end of September 2011.*

### **Financial Implications**

None as a consequence of this report.

**Background Papers:** *Audit Commission Report – Audit of Financial Controls 2010/11.*

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