

Audit Committee – 26th July 2012

5. Audit of Financial Controls 2011/12

Strategic Director: Mark Williams, Chief Executive
Assistant Director: Donna Parham (Finance and Corporate Services)
Lead Officer: Donna Parham, Assistant Director (Finance and Corporate Services)
Contact Details: donna.parham@southsomerset.gov.uk or 01935 462225

Purpose of the Report

This report introduces the report from the Audit Commission on their findings from their Audit of Financial Controls for 2011/12 (attached at Appendix 1).

Recommendations

The Audit Committee is asked to note the contents of the Audit of Financial Controls report for 2011/12.

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 SSDC’s financial arrangements outlined on page 7 of the Audit Commission’s report (page 11 of this agenda):

- All budget holders should respond to requests from finance to confirm the accuracy of outstanding invoices.
- *The Financial Procedure Rules will be reviewed and updated. The target date for this is 1st October 2012.*

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- The Council should report to the Audit Committee the results of the exercise to check the validity of single person discounts.
- *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 March 2013. This would have been done earlier but the timetable for the changes to Council Tax Benefits has meant that this has had to be prioritised.*

Financial Implications

None as a consequence of this report.

Background Papers: *Audit Commission Report – Audit of Financial Controls 2011/12.*
