

Audit Committee – 26 September 2013

5. 2012/13 Audit Findings Report

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Purpose of the Report

This report introduces Grant Thornton's Audit Findings Report for 2012/13.

Recommendations

1. That the Audit Committee considers the matters raised in the report;
2. Approve that the Assistant Director – Finance and Corporate Services signs the representation letter on behalf of SSDC;
3. Note the draft audit findings as outlined in Section 2 of Appendix 1 and the one adjusted error, one unadjusted error and amended disclosure within the Statement of Accounts;
4. Note the Value for Money criteria has been met;
5. Note that no additional fees will be charged;
6. Agree the recommended actions in Appendix A and note that it has been actioned.

Background

Under the Audit Commission's Code of Audit Practice, Grant Thornton report on the overall financial statements and governance of South Somerset District Council. The review of these reports is included within the remit of Grant Thornton under its terms of reference as follows:

"To consider the reports of external audit including the Annual Audit Letter and seek assurance from management that action has been taken".

"To review and approve the annual Statement of Accounts, external auditor's opinion and reports to members and monitor management action in response to issues raised".

The Report

The report summarises the findings from the 2012/13 work of the Audit Commission relating to governance. It covers the following areas:

The Statement of Accounts/Annual Governance Statement

The Audit Commission report gives an unqualified opinion on the financial statements for 2012/13. It also outlines that in all material respects the Council has complied with the requirements of IFRS (International Financial Reporting Standards), which were introduced for the 2010/11 accounts.

The report outlines one adjusted misstatement, one unadjusted misstatement and a disclosure change.

The action plan outlines:

- That SSDC review the method of calculating provision of bad debt;
- That SSDC review the IT Security Policy;
- That SSDC review password complexity parameters in systems;
- That SSDC ensure that anti-virus software is installed on two Solaris servers not presently covered;
- That SSDC consider implementing a form process to review user access on to the network.

We have agreed to complete all of the recommended actions.

Value for Money

The Audit Commission is required to make a statement on whether the authority has made arrangements for securing economy, efficiency and effectiveness in its use of resources. This is now measured by two criteria as follows:

- Financial resilience;
- Securing economy efficiency and effectiveness.

The Audit Commission has assessed arrangements at SSDC meet the criteria.

Peter Lappin, the Audit Manager from the Audit Commission will be attending the meeting.

Financial Implications

There are no financial implications associated with these recommendations.
