



AUDIT COMMITTEE

23RD AUGUST 2016

AGENDA ITEM (9)

GRANT THORNTON - THE AUDIT FINDINGS FOR COTSWOLD DISTRICT COUNCIL YEAR ENDED 31ST MARCH 2016

Accountable Member	NA
Accountable Officer	Jenny Poole Chief Finance Officer 01285 623313 jenny.poole@cotswold.gov.uk

Purpose of Report	To provide the Committee with the external auditor's Audit Findings Report for 2015/16. The report highlights the key matters arising from the external audit of the Council's financial statements for the year ended 31 st March 2016. It is also used to report the findings to those charged with governance in accordance with the requirements of the International Standard on Auditing 260 (ISA).
Recommendation(s)	That the Committee considers the information detailed in the report and uses it to support its consideration of the Council's Financial Statements 2015/16
Reason(s) for Recommendation(s)	To support the Committee in its consideration of the Council's financial statements 2015/16.

Ward(s) Affected	N/A
Key Decision	No
Recommendation to Council	No

Financial Implications	None directly resulting from the report.
Legal and Human Rights Implications	None
Environmental and Sustainability Implications	None
Human Resource Implications	None
Key Risks	None

Equalities Impact Assessment	Not Required
Related Decisions	None
Background Documents	None
Appendices	Appendix 'A' - Grant Thornton Report - 'The Audit Findings for Cotswold District Council'
Performance Management Follow Up	Implementation of the action items and recommendations listed on pages 18 and 33 of the attached Appendix will be monitored by the Strategic Director (Corporate Resources) and the Group Manager, GO Shared Services in her capacity as Chief Finance Officer.
Options for Joint Working	Not applicable to this report.

Background Information

1. Introduction

1.1 The Grant Thornton report 'Audit Findings for Cotswold District Council', attached at **Appendix A**, highlights the key matters arising from the external audit of the Council's Financial Statements for the year ended 31st March 2016. It is used to report the audit findings to management and to those charged with governance, in accordance with the requirements of International Standard on Auditing 260 (ISA).

1.2 At the time of preparing this report, external audit work on the Financial Statements is substantially complete. Representatives from Grant Thornton are expected to attend the Meeting and will be able to update the Committee on the position at that time.

2. Audit Opinion on the Financial Statements

2.1 It is anticipated that an unqualified audit opinion will be issued on the Financial Statements.

2.2 Details of adjustments to the draft Financial Statements are set out on pages 20-21 of **Appendix 'A'**.

3. Value for Money Opinion

It is anticipated that an unqualified Value For Money conclusion will be issued.

4. Internal Control Issues

4.1 The Auditor has considered the Council's internal controls relevant to the preparation of the Financial Statement. One matter, relating to control weaknesses in the Council's Finance and HR IT system, has been identified for consideration by the Committee and is set out on page 18.

4.2 Whilst the control weakness has not resulted in any errors being identified through the external Auditor's work, the Auditor has recommended some changes to improve the control framework. The Auditor's findings will feed into work which is already in progress on improving data control processes. The management response to the recommendation is set out on page 33.

5. Chief Finance Officer Conclusion

5.1 It is very pleasing to obtain an unqualified Value For Money conclusion, given the recent (and continuing) period of austerity in which the Council is operating.

5.2 I would like to express my appreciation to the Finance Team, who have worked hard and diligently both to produce the draft Statement on time and to work with the external Auditor to enable an unqualified audit opinion to be issued on the Financial Statements, with relatively few adjustments to the draft statements. This work has been completed a month earlier than in previous years in preparation for the statutory earlier closedown requirements which come into effect for the 2017/18 financial year.

5.3 The internal control issue identified in section 2 will be addressed during 2016/17.

(END)