

Audit and Standards Committee

12th February 2015

External Auditors Report – Audit and Standards Committee Update

Recommendation

The Audit and Standards Committee is asked to:

- Consider and make any comments on the Warwickshire County Council Audit and Standards Committee Update Report attached at **Appendix A**, and;
- Note the Grant Certification Letter from the External Auditors, attached at **Appendix B**.

1.0 Purpose of the Report

- 1.1 The purpose of this report is for our external auditors to provide a report to inform the Council's Audit and Standards Committee of their progress in delivering our responsibilities as our external auditors. The report also includes a summary of emerging national issues and developments and a number of challenge questions in respect of these emerging issues which the Committee may wish to consider.
- 1.2 In preparation for the 2014-2015 accounts we have been working on the key project of accounting for schools as identified on page 10 of the report. The project, involving key staff, in the Finance and Physical Assets Business Units, are working with schools and with our external auditors to agree a proposal for any changes to our accounting policies and the associated accounting entries and disclosures for the 2014-2015 statement of accounts. We will report back to this Committee in June once that work has been completed and our approach and revised accounting policy has been agreed.
- 1.3 We will also be reviewing our accounting treatment of associated companies and joint arrangements in light of the changes to accounting standards identified on page 12 of the report. We will agree any assessments and/or changes to accounting treatment or disclosures with our external auditors.

- 1.4 A significant challenge lies ahead for the authority and for auditors in the tightening of the closure of the accounts timetable for the 2017/18 accounts. Seemingly a long way off, it will undoubtedly call for a radical review of the way the information is gathered and collated and the audit process. A detailed project team and plan will be drawn up in the coming months. Progress and any issues of concern will be reported to Members.
- 1.5 The audit work on the Teachers Pensions return for 2013/14 has now been completed and the external auditors certification letter for the year ended 31 March 2014 is attached at Appendix B. This reports that the external auditors are satisfied that recommendations raised in previous years have been addressed.

2.0 Background Papers

None

	Name	Contact Information
Report Author	Virginia Rennie	vrennie@warwickshire.gov.uk Tel: 01926 41 (2239)
Head of Service	John Betts	johnbetts@warwickshire.gov.uk
Strategic Director	David Carter	davidcarter@warwickshire.gov.uk
Portfolio Holder	Alan Cockburn	alancockburn@warwickshire.gov.uk