

# **Cherwell District Council**

## **Accounts Audit and Risk Committee**

**3 December 2014**

**External Audit reports 2013-14:  
Annual Audit Letter  
Certification of Claims and Returns Annual Report  
Audit Scale Fee – late variation (Business Rates)**

### **Report of the Head of Finance and Procurement**

This report is public

#### **Purpose of report**

To allow Members to consider Ernst Young's reports summarising their external audit work for 2013-14.

#### **1.0 Recommendations**

The Accounts, Audit and Risk Committee is recommended:

- 1.1 To note the contents of the Annual Audit Letter
- 1.2 To note the contents of the Certification of Claims and Returns Annual Report
- 1.3 To note the contents of the Audit Scale Fee – late variation letter
- 1.4 To note the Ernst Young's local government audit committee briefing.

#### **2.0 Introduction**

- 2.1 External Audit undertakes its work in line with their Audit Plan and the Audit Commission's Code of Audit Practice. Ernst Young's reports highlight their work for the financial year 2013-14.

#### **3.0 Report Details**

- 3.1 The Annual Audit Letter (appendix 1) summarises the work that external audit undertake on the Council's accounts. External Audit gave an unqualified opinion on the Council's financial statements audit on 25 September 2014. At the same time, they gave an unqualified opinion on the value for value conclusion.
- 3.2 The Annual Report (appendix 2) summarises the work that external audit undertake on the Council's housing benefit subsidy claim (value £37.6m). Audit testing

identified errors which the Council amended and resulted in a small increase (£103) in the grant due. Members should note that there were no delays in receiving reports from the Council's service provider (Northgate) during this year's audit.

- 3.3 Appendix 3 is the audit scale fee late variation letter (business rates). The additional fee of £900 is required because the certification work on Business Rates (the NNDR3 grant claim) is no longer within the Audit Commission's grant regime – it was withdrawn for 2013-14. Auditors were previously able to use the certification work on the NNDR3 claim as the required assurance for the audit opinion on the financial statements (including the Collection Fund). The Audit Commission has now acknowledged that auditors were required to undertake these additional audit procedures to be able to gain assurance for the 2013-14 financial statements opinion.
- 3.4 Appendix 4 is the Local Government Audit Committee Briefing that Ernst Young provides for all its clients.

## **4.0 Conclusion and Reasons for Recommendations**

- 4.1 The Annual Audit Letter and Annual Report summarise the key issues from External Audit's work during 2013-14.

## **5.0 Consultation**

None

## **6.0 Alternative Options and Reasons for Rejection**

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To request further information from the External Auditor.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 There are no financial implications arising directly from any outcome of this report.

Comments checked by:  
Denise Taylor, Corporate Accountant, 01295 221982

### **Legal Implications**

- 7.2 There are no legal implications arising directly from any outcome of this report.

Comments checked by:  
Kevin Lane, Head of Law & Governance 0300 0030107  
[Kevin.Lane@cherwellandsouthnorthants.gov.uk](mailto:Kevin.Lane@cherwellandsouthnorthants.gov.uk)

## Risk Management Implications

7.3 There are no risk implications arising directly from any outcome of this report.

Comments checked by:

Denise Taylor, Corporate Accountant, 01295 221982

## 8.0 Decision Information

### Wards Affected

All wards are affected

### Links to Corporate Plan and Policy Framework

All corporate plan themes.

### Lead Councillor

None

## Document Information

Appendix No	Title
Appendix 1	Annual Audit Letter
Appendix 2	Certification of Claims and Returns Annual Report
Appendix 3	Audit Scale Fee – late variation (Business Rates)
Appendix 4	Local Government Audit Committee Briefing
Background Papers	
None	
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