

# Performance and Audit Scrutiny Committee



St Edmundsbury  
BOROUGH COUNCIL

<b>Title of Report:</b>	<b>Ernst and Young Presentation of Annual Audit Letter 2013/14</b>	
<b>Report No:</b>	<b>PAS/SE/14/008</b>	
<b>Decisions plan reference:</b>	Not applicable	
<b>Report to and date/s:</b>	<b>Performance and Audit Scrutiny Committee</b>	26 November 2014
<b>Portfolio holder:</b>	David Ray Portfolio Holder for Performance and Resources <b>Tel:</b> 01359 250912 <b>Email:</b> david.ray@stedsbc.gov.uk	
<b>Lead officer:</b>	Rachael Mann Head of Resources and Performance <b>Tel:</b> 01638 719245 <b>Email:</b> Rachael.mann@westsuffolk.gov.uk	
<b>Purpose of report:</b>	To update members on the outcome of the annual audit of the 2013/14 financial statements by Ernst and Young.	
<b>Recommendation:</b>	<b>Performance and Audit Scrutiny Committee:</b>  <b>Members are asked to <u>note</u> the report and appendices.</b>	
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
<b>Consultation:</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	
<b>Alternative option(s):</b>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>	

<b>Implications:</b>			
Are there any <b>financial</b> implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • The report and appendices include the final scale fee in respect of the 2013/14 audit of the accounts.	
Are there any <b>staffing</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>ICT</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>legal and/or policy</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>equality</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<b>Risk/opportunity assessment:</b> <i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>			
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
	Low/Medium/ High*		Low/Medium/ High*
Not applicable for this report.			
<b>Ward(s) affected:</b>		N/A	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		None	
<b>Documents attached:</b>		<i>(Please list any appendices.)</i> <b>Appendix 1</b> – Annual Audit Letter (year ending 31 March 2014)  <b>Appendix 2</b> – 2013/14 Audit Scale Fee late variation	

## **1. Key issues and reasons for recommendation**

### **1.1 Summary and reasons for recommendation**

- 1.1.1 To update members on the outcome of the annual audit of the 2013/14 financial statements by Ernst and Young (our external auditors) as detailed in their Annual Audit Letter for 2013/14, attached at **Appendix 1**.
- 1.1.2 The letter is for information, and confirms the completion of the audit of the 2013/14 financial statements.

### **1.2 Final Fee**

- 1.2.1 The final fee of £60,356 for work carried out includes two small additional sums totalling £2,900.
- 1.2.2 The first additional sum of £2,000 reflects work undertaken over and above that planned due to the extra time spent in understanding the audit trail which supported the financial statements. This followed the change to a new joint general ledger system and the migration of the 2013/14 data from the old general ledger. The details are included in the Annual Audit Letter at Appendix 1.
- 1.2.3 The second additional sum of £900 is an Audit Commission variation to the base scale fee to reflect the extra audit procedures required nationally to gain sufficient audit assurance around business rate income and expenditure within the collection fund. Further details are in the letter at **Appendix 2**.
- 1.2.4 Both of these additional fees have been agreed with the S151 Officer.