

## **2014/15 Audit Findings Report for Surrey Choices Limited**

### **Introduction:**

1. This report provides the Audit & Governance Committee with the outcome and findings of the external audit of the 2014/15 financial statements of Surrey Choices Limited.
2. The Directors of the company approved the 2014/15 financial statements as presenting a true and fair view of the company's financial position as at 31 March 2015 and its profit for the year ended at that date.
3. The attached Audit Findings Report provides a commentary on the financial statements.
4. An unmodified opinion on the financial statements was issued in early December 2015 and the audited financial statements and directors' report were submitted to Companies House ahead of the 18th December deadline.

### **2014/15 Financial Statements**

5. The audit process identified a number of significant adjustments to the draft financial statements, which have been corrected by management. These had the effect of increasing the company's loss per the draft financial statements by £186,475.

### **2014/15 Audit Findings**

6. The Audit Findings Report summarises the findings of the 2014/15 audit, which was completed in December 2015. The report sets out a summary of the work carried out during the audit of the financial statements and the conclusions reached.
7. At the beginning of the audit an Audit Plan was shared with the company directors, which identified areas of significant risk and other risks of material misstatement. The Audit Findings Report summarises the work completed in relation to these areas. Aside from the adjustments detailed above, there were a number of internal control weaknesses identified in relation to employee contracts, payroll, petty cash and invoicing.

8. A number of recommendations have been agreed with the company in respect of the working papers provided for audit and the preparation of accounts under a new accounting framework in 2015/16. Management have agreed an action plan for implementation of these.
9. As a result of the significant overrun of the audit, and the resultant extra work required, an additional fee is currently being agreed with management.

## Conclusion

10. Following the changes included above, and the results of the audit, the Audit Findings Report is now presented to this Committee for information.

### **Financial and value for money implications**

The audit process identified a number of significant adjustments to the draft financial statements, which have been corrected by management.

### **Equalities and Diversity Implications**

None.

### **Risk Management Implications**

None.

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**Sources/background papers:** None.