



AUDIT & GOVERNANCE COMMITTEE
2 September 2013

2012/13 FINANCIAL RESILIENCE REPORT

SUMMARY:

As part of the statutory external audit of the 2012/13 Statement of Accounts, Grant Thornton, the council's external auditors provide a value for money conclusion. The Value for Money conclusion is based on the following two criteria, specified by the Audit Commission;

- review of the council's arrangements for securing financial resilience
- review of the council's arrangements for challenging how it secures economy, efficiency and effectiveness.

Attached at Annex A is the report of the external auditors outlining the conclusions on their review of the Council's financial resilience. The auditors are required to reach a conclusion as to whether the Council's arrangements are either adequate or inadequate. The auditors consider that the council's current arrangements for achieving financial resilience are adequate.

PURPOSE:

The purpose of this report is to inform the Committee of the results of the external auditors review of the Council's arrangements for securing financial resilience. Their report is attached at Annex A for consideration by this Committee.

BACKGROUND:

1. The 2010 Code of Audit Practice describes the Council's responsibilities to put in place proper arrangements to ensure value for money. Our auditors are required to give a value for money conclusion based on criteria set out by The Audit Commission.

CONCLUSION:

2. Grant Thornton, as our external auditors have undertaken a review of the Council's financial resilience, which considered the Council's arrangements against the following three expected characteristics of proper arrangements, as defined by the Audit Commission:
 - Strategic financial planning
 - Financial Governance
 - Financial Control

3. The overall conclusion of the auditors is that whilst the Council faces some significant risks and challenges during 2013-14 and beyond, its current arrangements for achieving financial resilience are adequate. The conclusion has to be assessed as either adequate or inadequate.
4. The report of the external auditors is attached at Annex A for consideration by this Committee.

RECOMMENDATIONS:

5. The committee is asked to:
 - i. Consider the contents of the Financial Resilience Report in Annex A.
 - ii. Agree the officer response to the next steps identified by the external auditor;

IMPLICATIONS:

Financial

There are no direct financial implications of this report.

Equalities

There are no direct equalities implications of this report.

Risk management

There are no direct risk management implications of this report.

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Sources/background papers:
