

## **FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **AUDIT COMMITTEE**

**DATE:**               **WEDNESDAY, 13 MARCH 2013**

**REPORT BY:**       **HEAD OF FINANCE**

**SUBJECT:**           **ANNUAL FINANCIAL AUDIT OUTLINE 2012/13**

### **1.00 PURPOSE OF REPORT**

1.01 To provide the Audit Committee with the Annual Financial Audit outline for the audit of the Council's accounts for 2012/13 and those of the Clwyd Pension Fund.

### **2.00 BACKGROUND**

2.01 Under the provisions of the Public Audit (Wales) Act 2004 the Auditor General is responsible for appointing external auditors (Appointed Auditors) to local government bodies.

### **3.00 CONSIDERATIONS**

3.01 This Annual Financial Audit Outline has been prepared to meet the requirements of auditing standards and proper audit practices. It provides Flintshire County Council (the Council) with an outline of the financial audit work required for the 2012/3 financial statements. It has been prepared by John Herniman on behalf of the Appointed Auditor.

3.02 The Appointed Auditor is required by the Public Audit (Wales) Act 2004 to examine and certify the accounts of the Council, satisfying himself that the accounts:

- Give a true and fair view of the Council financial position
- Comply with all relevant legislative requirements; and
- Have been prepared in accordance with proper accounting practices.

3.03 The Appointed Auditor is also required to:

- Satisfy himself that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; and
- Certify that the audit has been completed in accordance with the Public Audit (Wales) Act 2004.

- 3.04 The outline for the Flintshire County Council element of the work is attached at Appendix 1.
- 3.05 The outline for the Clwyd Pension Fund is attached at Appendix 2.
- 3.06 A programme is being agreed with the Wales Audit Office for the annual audit which will commence in July.
- 3.07 The draft financial statements will be reported to the Audit Committee in July 2013.
- 3.08 The final audited accounts for Flintshire and the Clwyd Pension Fund will be considered by the Audit Committee for recommendation to Council before the deadline of 30th September 2013.

#### **4.00 RECOMMENDATIONS**

- 4.01 The Audit Committee is requested to note the report.

#### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 The proposed fee for 2012/13 financial audit work is £215,976 (plus VAT). This fee is in line with the Auditor General's fees letter and is based on the zero-based fee model for financial audit.
- 5.02 Overall, the 2012/13 financial audit fee, on the equivalent element of the Appointed Auditors' responsibilities, has been set at the same level as the 2011/12 fee.
- 5.03 In addition to the main audit, the Auditor General is required to recover, in respect of each grant or return, an amount that covers the full cost of the relevant work undertaken in relation to the audit of grants. Grant and return certification work is charged on a daily basis in line with the skill-related fee scales set out in the Auditor General's local government fees letter. Although grant work fluctuates from year to year, it is estimated that the total fee for grant work will be in the range of between £115,000 and £140,000.
- 5.04 The fees for the Clwyd Pension Fund work are charged directly to the Fund.

#### **6.00 ANTI POVERTY IMPACT**

- 6.01 There are no direct implications in relation to this report.

#### **7.00 ENVIRONMENTAL IMPACT**

- 7.01 There are no direct implications in relation to this report.

**8.00 EQUALITIES IMPACT**

8.01 There are no direct implications in relation to this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 There are no direct implications in relation to this report.

**10.00 CONSULTATION REQUIRED**

10.01 None.

**11.00 CONSULTATION UNDERTAKEN**

11.01 None.

**12.00 APPENDICES**

Appendix 1: "Financial Audit Outline Flintshire County Council"

Appendix 2: "Financial Audit Outline - Clwyd Pension Fund"

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

As Appendix 1 and 2.

**Contact Officer:** Liz Thomas  
**Telephone:** 01352 702289  
**Email:** liz.thomas@flintshire.gov.uk