

SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Risk Committee **DATE:** 19th September 2013

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WARD(S): All

PART I **FOR COMMENT & CONSIDERATION**

EXTERNAL AUDIT GOVERNANCE LETTER / AUDIT OF THE 2012-13 FINANCIAL STATEMENTS

1 Purpose of Report

To update the Audit & Risk Committee on the progress in auditing the Council's Financial Statements 2012-13.

2 Recommendation(s)/Proposed Action

To note the External Auditors update report at appendix A and that the Council's external auditors are unlikely to complete their audit work in line with the 30th September 2013 timescales. A set of revised financial statements and a full audit letter from BDO will be provided to a future Audit Committee meeting.

3 The Slough Joint Wellbeing Strategy

3.1 Slough Joint Wellbeing Strategy Priorities

The report indirectly supports all of the Slough Joint Wellbeing Strategy priorities and cross cutting themes. The maintenance of good governance within the Council to ensure that it is efficient, effective and economic in everything it does is achieved through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

4 Other Implications

(a) Financial

Detailed within the report.

(b) Risk Management

Risk	Mitigating action	Opportunities
Legal	n/a	n/a
Property	n/a	n/a
Human Rights	n/a	n/a
Health and Safety	n/a	n/a

Employment Issues	n/a	n/a
Equalities Issues	n/a	n/a
Community Support	n/a	n/a
Communications	n/a	n/a
Community Safety	n/a	n/a
Financial	n/a	n/a
Timetable for delivery	n/a	n/a
Project Capacity	n/a	n/a
Other	n/a	n/a

No Human Rights Act Implications.

No identified need for the completion of an EIA

5 **Supporting Information**

5.1 **Background**

- 5.1.1 The Council is required to submit a signed copy of its financial statements to the external auditors, BDO, by the 30th June 2013. The Council completed this in line with statutory deadlines which is an improvement on previous years.
- 5.1.2 BDO are required to present a copy of their audit letter to those charged with governance, for Slough Council this is full Council, by the end of September 2013. Unfortunately, BDO have been unable to present this in accordance with the anticipated timescales, and the reasons for this are detailed in their interim report in appendix A.
- 5.1.3 At present BDO are likely to issue an unqualified opinion that highlights no change to the general fund position that was set out in the original financial statements and to Cabinet in July 2013. There are a number of changes that BDO have highlighted are required and the Council has adjusted for those changes provided so far.
- 5.1.4 A significant number of the adjustments relate to either 2011/12 items or to a revised interpretation of the accounting guidelines compared to previous years. It is important for members to note that the previous year's financial statements were issued with an unqualified audit opinion by the Council's previous auditors.
- 5.1.5 This report will also be provided to full Council, and a set of revised financial statements accompanied by the finalised and full BDO report will be presented to a future Audit Committee.

6 **Comments of Other Committees**

N/A

7 **Conclusion**

The full Council will receive a similar letter to the interim letter provided by BDO at its meeting next week. Full Council will be requested to ensure the consideration of the BDO's letter and the final version of the Financial Statements is provided to the Audit Committee.

8 **Appendices**

A – External Audit Governance Letter

9 **Background Papers**

Draft Financial Statements <http://www.slough.gov.uk/council/performance-and-spending/statement-of-accounts.aspx>