
AUDIT OF ACCOUNTS 2014-15

SUMMARY REPORT

Purpose of Report

1. To present a report by the Council's external auditors, PricewaterhouseCoopers (PwC), on the audit for the year ended 31 March 2015.

Summary

2. The external auditors are required by the Audit Commission's Code of Audit Practice and International Standard of Auditing number 260 (ISA 260) to report to Members issues arising from the accounts audit. The ISA 260 details the significant findings from the audit by PwC following their audit approach outlined in their audit plan presented to this committee in March 2015.
3. A significant risk identified in PwC's audit plan was that related to the Medium Term Financial Plan as detailed on page 6 of the ISA 260.
4. Members are specifically required to consider items that are classified as uncorrected misstatements, which officers propose not to adjust in the accounts. In the attached ISA 260 report there are no such misstatements as any changes as detailed in Appendix 1 of the report have been agreed and the Statement of Accounts has been amended accordingly.
5. PwC are also required to report to management and the Audit Committee any significant deficiencies in internal control identified during their audit. In this regard, PwC have not raised any significant matters, however they have noted that enhancements should be made to the timeliness of amendments to IT access rights, the reconciliation of the housing portfolio with the housing rental system and that Members interest forms should be reviewed to include details of the nature of interests. The recommendations were agreed by officers.
6. PwC are expected to:
 - Give an unqualified opinion on the Council's 2014/15 accounts;
 - Issue a modified value for money conclusion on the adequacy of the Council's arrangements for ensuring economy, efficiency and effectiveness in its use of resources as a consequence of the matters identified in the Ofsted report on children's Services published on 1 September 2015.
 - Confirm they found no areas of concern on whether the Council's Annual Governance Statement complied with the CIPFA/Solace guidance and whether it might be misleading or inconsistent with other information known to them.

7. PwC's report is attached at **Annex 1** and will be presented by a representative from PwC.

Outcome of Consultation

8. The content of this report was not subject to consultation.

Recommendation

9. It is recommended that:-
- a) The Auditor's ISA 260 report on the Council's 2014-15 financial statements be noted
 - b) The Audit Committee is requested to approve the attached IFRS compliant Statement of Accounts at **Annex 2** for the 2014-15 financial year.

Reasons

10. The recommendation is supported as it comprises part of the Council's corporate governance arrangements

Paul Wildsmith
Director of Neighbourhood Services & Resources

Background Papers

- (i) Council's accounts 2014-15
- (ii) PwC ISA 260

Peter Carrick: Extension 5401

S17 Crime and Disorder	There are no specific issues which relate to crime and disorder.
Health and Well Being	There is no specific health and well being impact.
Carbon Impact	There is no specific carbon impact
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally.
Budget and Policy Framework	This report does not affect the budget or policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	There is no specific relevance to the strategy beyond the report comprising part of the

	Council's governance arrangements.
Efficiency	There is no specific efficiency impact apart from the reference to the Ofsted report on Children's Services.