



Committee report

Committee	AUDIT COMMITTEE
Date	29 SEPTEMBER 2015
Title	EXTERNAL AUDITOR'S AUDIT RESULTS REPORT
Report of	HEAD OF FINANCIAL MANAGEMENT AND SECTION 151 OFFICER

EXECUTIVE SUMMARY

1. The purpose of this report is to introduce the outcomes of the work of the external auditors, as follows:
 - Audit Results Report for the Isle of Wight Council
 - Audit Results Report for the Isle of Wight Council Pension Fund

BACKGROUND

2. The Audit Results report as its name suggests provides the committee (as 'those charged with governance') with the conclusion of the audit of the council's final accounts. The committee had its first opportunity to review the draft outturn position when it met in June.
3. The outcomes the report expresses an opinion as to :
 - whether the financial statements of the Isle of Wight Council give a true and fair view of the financial position at the 31 March 2015 and of the income and expenditure for the year 2014/15;
 - a statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness (usually referred to as the value for money opinion).
4. It is important to distinguish between these two elements. The first is concerned with the standards of financial reporting and the integrity of the council's financial statements. The second is very much about the efficiency and effectiveness of services and their quality relative to their cost.

STRATEGIC CONTEXT

5. The work of the council's external auditors provides an entirely independent opinion on the councils financial reporting and cost –effectiveness of council

services. It therefore makes an effective contribution to the council's governance arrangements.

CONSULTATION

6. The draft Audit Results reports have been discussed with the Managing Director and the Head of Financial Management (Section 151 Officer).

FINANCIAL / BUDGET IMPLICATIONS

7. There are no direct financial implications arising from this report.

LEGAL IMPLICATIONS

8. The council is required by the Audit Commission Act 1998 to have its accounts audited.
9. In auditing the accounts of the council, the auditor must, by examination of the accounts and otherwise, provide:
 - a) an audit opinion on whether the financial statements of Isle of Wight Council give a true and fair view of the financial position as at 31 March 2014 and of the income and expenditure for the year then ended; and
 - b) A statutory conclusion on the Council's arrangements to secure economy, efficiency and effectiveness.

EQUALITY AND DIVERSITY

10. The Council has a legal duty under the Equality Act 2010 to seek to eliminate discrimination, victimisation and harassment in relation to age, disability, gender re-assignment, pregnancy and maternity, race, religion, sex, sexual orientation and marriage and civil partnership. It is considered that there are no direct equality and diversity implications of this report for any of the protected groups.

RISK MANAGEMENT

11. The Audit Results reports provide the committee with an independent opinion that the accounts of the council have been prepared in accordance with proper accounting practice. As such they provide the committee with further assurance that the council's financial governance arrangements are effective.

RECOMMENDATIONS

12. The committee is asked to consider and note the outcomes within the Audit Results reports and to seek further information from officers concerning the issues raised and necessary remedial actions.

APPENDICES ATTACHED

13. [Appendix A](#) – Audit Results Report – Isle of Wight Council
[Appendix B](#) – Audit Results Report – Isle of Wight Council Pension Fund

BACKGROUND PAPERS

14. None.

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