

**Essex County Wide Traveller Unit Joint Committee Meeting 23<sup>rd</sup> January 2014**

**Report by David Poole Senior Financial Analyst**

**Finance Report for the Essex County Wide Traveller Unit**

Enquiries to: David Poole, ECC Senior Financial Analyst

Telephone: 07799 675892

Email: [david.poole2@essex.gov.uk](mailto:david.poole2@essex.gov.uk)

**1. Purpose**

- 1.1 To provide a financial update for the year to date to 31<sup>st</sup> December 2013.
- 1.2 To update the Committee on the outcome of the external Audit carried out by PKF Littlejohn in November 2013.
- 1.3 To accept the report and agree the actions proposed.

**2. Financial update for the year to 31<sup>st</sup> December 2013**

**Essex Countywide Traveller Unit**  
**Proposed 2013/14 and Indicative 2014/15 & 2015/16**

**Budgets**

**Revenue Account**

	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>13/14 actual to 31st Dec 2013</b>	<b>% budget utilisation</b>
Employees	219,184	233,496	235,831	152,021.48	69%
Supplies & Services	54,936	15,444	15,969	5,245.72	10%
Transport & Mileage	20,831	21,539	22,271	13,385.03	64%
<b>Gross Expenditure</b>	<b><u>294,951</u></b>	<b><u>270,479</u></b>	<b><u>274,071</u></b>	<b><u>170,652</u></b>	<b>58%</b>

### 3. External Auditor's Findings

3.1 At the meeting on the 26<sup>th</sup> October we reported the fact that we had not undertaken an independent internal audit nor obtained the Joint Committees sign-off of the 2012/13 accounts in time to meet the required deadlines for sign-off or publication of the accounts. As a consequence the comments in the External Audit Report, attached as Appendix 1, are completely expected. For ease of reference these are repeated in 3.2.below.

3.2 The External Auditor comments and ECC's responses are as follows: -

#### 3.2.1 Approval of accounts

"The Body failed to approve the Annual Return by 30<sup>th</sup> June, the date required by the Accounts and Audit (England) Regulations 2011"

3.2.1.1 There is adequate time available to complete all the activity required for the approval of the accounts providing each of the necessary activities are planned in advance and Joint Committee meetings are scheduled conveniently to the other activities.

3.2.1.2 Appropriate arrangements have been made to ensure the 2013/14 accounts are produced in good time to facilitate early sign-off by the Joint Committee.

#### 3.2.2 Publication of the accounts

"The Body failed to comply with the statutory requirement to publish its audited accounts by 30<sup>th</sup> September 2013, since it did not submit the Annual Return for audit until after this date"

3.2.2.1 Publication was not possible due to the fact that the accounts had not been approved and this was the only reason for non-publication. This issue will automatically be resolved by timely approval of the 2013/14 accounts.

#### 3.2.3 Independent Internal Audit

"The Body did not arrange for an independent internal auditor to review the internal controls and give their conclusion in section 4. We understand that the Body has arranged for an independent internal audit to be carried out in respect of the year ended 31<sup>st</sup> March 2014. The Body must ensure that it maintains an adequate and effective system of internal audit of the accounting records and control systems."

3.2.3.1 It is not ECC normal practice to complete such an internal audit for incomplete years as was the case for ETCU.

3.2.3.2 The systems and processes used to manage the ETCU account were the same as those used generally by ECC and as such were subject to the normal annual audit processes from which no concerns were raised.

3.2.3.3 ECC Internal Audit have subsequently re-confirmed that they do not believe it is necessary to undertake any further audit in relation to the 2012/13 accounts or the report produced by the External Auditor.

3.2.3.4 ECC Internal Audit has further confirmed that the required independent Internal Audit is already scheduled on their forward plan as far as the 2013/14 activity is required and that there is a standing appointment with the External Auditor.

#### **4. Additional Post Audit Actions**

4.1 Auditor's invoice for £790 has been received and arrangements have been made for payment.

4.2 Notice of conclusion of the audit and right to "Inspect the Annual Return", see Appendix 2, for agreement and also to agree: -

- a) places to be displayed
- b) any fees payable
- c) point of contact

#### **5. Decisions Required**

**5.1 Approval of accounts and decision to publish**

**5.2 Agree content of and right to "Inspect the Annual Return"**

**5.3 Agreement of location(s) of right to "Inspect the Annual Return" to be displayed, fees payable and contact for requesting.**