

**DEVON COUNTY COUNCIL – CONTROL ENVIRONMENT**  
**Report of the County Treasurer**

Please note that the following recommendations are subject to confirmation by the Committee before taking effect.

**Recommendations:**

- i. that the Committee notes the report
- ii that the Committee endorse the letter from the Chair to the external auditor (Grant Thornton)

1. Each year the Chair of the Audit Committee and S151 officer are required to respond to enquiries from the external auditors (Grant Thornton) regarding the overall control environment of the Council, with particular focus on the arrangements in place to ensure that the production of the financial statements will be free of material error. Responses are provided for both the County Council and the Pension Fund Accounts. Due to the similarity in content only the letters for the County Council are appended.

2. It is acknowledged that no process can ever be risk free; however it is important that appropriate checks and balances are in place to ensure accuracy in preparation of the accounts and to identify errors should they arise without compromising the opinion on the accounts.

3. In recent years considerable effort has been made to ensure that the transition to International Financial Reporting Standards (IFRS) has been completed smoothly and effectively, and the results of the most recent audits have confirmed that sound arrangements and controls are in place. The risk analyses undertaken for the County Council and Pension Fund accounts confirm that arrangements are appropriate and proportionate and contribute to unqualified audit opinions.

4. It should be noted that although the accounts process only occurs once a year the control environment needs to be operational throughout the accounting period on a consistent and error free basis to provide an appropriate level of assurance on the accounts.

5. The Audit Committee is required to authorise the accounts after careful consideration of the Auditor's report. The attached letters from the Chair and the Section 151 officer set out the details of the control environment that contributes to the establishment of the audit opinion.

Mary Davis

Electoral Divisions: All  
Local Government Act 1972

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Background Paper \_\_\_\_\_ Date \_\_\_\_\_ File Ref \_\_\_\_\_

Nil

There are no equality issues associated with this report