

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.

It is recommended that Members:

- i. Note the report;
- ii. Endorse the response from the County Treasurer including the conclusion that the Authority's accounts should be prepared on a Going Concern basis; and
- iii. Approve the proposed response to the external auditor's question to the Audit Committee on fraud (Question 18 of the Appendix)

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.

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. It should be noted that although the close-down of the accounts 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.

4. Each year the authority assesses whether it should be considered as a Going Concern and whether the accounts should be prepared on that basis. The external auditor, Grant Thornton, has again this year requested that the Audit Committee consider this assessment. The County Treasurer considers that the Authority is a Going Concern and that the accounts should be produced on this basis. Evidence to support this conclusion is contained within Questions 9 to 13 of the appendix to the s151 officer's response attached.

5. The Audit Committee will be required to authorise the accounts in July after Grant Thornton has audited the accounts and prepared a report on their findings that will also go to the July Audit Committee. The attached letters from the Chair and the Section 151 officer communicate the details of the control environment.

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