

AUDIT COMMITTEE

27 SEPTEMBER 2018

REPORT OF DEPUTY CHIEF EXECUTIVE

A.2 EXTERNAL AUDIT'S ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2018

(Report prepared by Richard Barrett)

PART 1 – KEY INFORMATION

PURPOSE OF THE REPORT

To present to the Committee the External Auditor's Annual Audit Letter for the year ended 31 March 2018.

EXECUTIVE SUMMARY

The Annual Audit Letter for the year ended 31 March 2018 has recently been received from the Council's External Auditors which primarily summarises the outcomes from various audit activities undertaken during the year. The Auditor's key messages are set out on pages 4 and 5 of the attached.

RECOMMENDATIONS

That the Audit Committee considers and notes the contents of the Annual Audit Letter for the year ended 31 March 2018.

PART 2 – IMPLICATIONS OF THE DECISION

DELIVERING PRIORITIES

The aim of continuing to be financially stable and well managed and provide good value for money is directly supported through learning and improving through audit and inspection.

FINANCE, OTHER RESOURCES AND RISK

Finance and other resources

There are no direct financial implications arising from this report although a small additional fee is expected as highlighted on page 24 of the attached, which will be able to be accommodated within existing budgets.

Risk

Not responding practically and timely to outcomes from audit and inspection may have an impact on the delivery of the Council's priorities, reputation, governance arrangements and overall control environment.

LEGAL

The Accounts and Audit Regulations require that:

- (1) A committee must meet to consider the letter as soon as reasonably practicable;
- (2) following consideration of the letter in accordance with paragraph (1) the authority must—(a) publish (which must include publication on the authority’s website) the audit letter; and (b) make copies available for purchase by any person on payment of such sum as the authority may reasonably require.

OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.
Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

This report does not have a direct impact although items could feature in the recommendations and subsequent action plans in future external audit reports. Any actions that may have an impact will be considered and appropriate steps taken to address any issues that may arise.

PART 3 – SUPPORTING INFORMATION

ANNUAL AUDIT LETTER FOR THE YEAR ENDED 31 MARCH 2018

There are a number of different strands of external audit work undertaken during the year such as specific activity in relation to the financial statements and value for money opinion. The outcomes from these activities are reported to the Council separately as they are completed during the year. The Annual Audit Letter is effectively an end of year report for the Council which captures and summarises these outcomes in one document. It is primarily directed to Members but it must also be made available as a public document.

The **Annual Audit Letter** relating to 2017/18 is attached, with no significant concerns raised. Page 15 of the attached highlights general risks associated with financial resilience / sustainability, which are actively being managed within the Council’s long term financial sustainability plan. This action has also been recognised within the Annual Governance Statement and updates will be provided to the Committee over the course of the year, with the first one set out within the Table of Outstanding Issues Report elsewhere on the agenda.

External Audit has highlighted three issues for consideration in the future which are set out on pages 21 and 22 of the attached. Responses to these issues form part of the work that is undertaken to close the accounts and produce the Statement of Accounts for 2018/19 by the required deadlines.

BACKGROUND PAPERS FOR THE DECISION

None

APPENDICES

ATTACHED External Auditor’s Annual Audit Letter for the year ended 31 March 2018