

**External Auditor's Annual Audit Letter 2016/17**

<b>Final Decision-Maker</b>	Audit, Governance and Standards Committee
<b>Lead Head of Service/Lead Director</b>	Mark Green, Director of Finance & Business Improvement
<b>Lead Officer and Report Author</b>	Ellie Dunnet, Head of Finance
<b>Classification</b>	Public
<b>Wards affected</b>	None

**Executive Summary**

The Annual Audit Letter summarises the main findings from the work undertaken by the External Auditor for the year ended 31 March 2017, and brings the audit process for 2016/17 to a close.

**This report makes the following recommendations to this Committee:**

1. That the External Auditor's Annual Audit Letter for the year ending 31 March 2017, attached at Appendix 1, is noted.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Audit, Governance & Standards Committee	20 November 2017

# External Auditor's Annual Audit Letter 2016/17

## 1. INTRODUCTION AND BACKGROUND

- 1.1 The Annual Audit Letter summarises the main findings from the work undertaken by the external auditor for the year ended 31 March 2017. Representatives from Grant Thornton will be in attendance at the meeting to present the letter and respond to any questions which Committee Members may have.
- 1.2 It is recommended that this document is considered by the Committee in accordance with the terms of reference detailed within the Council's Constitution.
- 1.3 The Committee considered the External Auditor's Audit Findings report for the year ending 31 March 2017 at its meeting on 18 September 2017. The Annual Audit Letter at Appendix 1 summarises the key findings arising from the audit and effectively concludes this process by confirming that:
  - The External Auditor gave an unqualified opinion on the Council's accounts on 28 September 2017, in advance of the 30 September 2017 national deadline; and
  - The External Auditor is satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016.

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## 2. AVAILABLE OPTIONS

- 2.1 The Committee are asked to note this report for the reasons outlined within section 3.1 below.
- 2.2 The Committee could choose not to acknowledge the comments made by the External Auditor. This option is not recommended since the report offers an independent view of how the authority is operating.

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## 3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the External Auditor's Annual Audit Letter included at Appendix 1 to this report and considers whether any recommendations should be made to other Committees. As the Committee is charged with governance matters, receiving regular reports from the External Auditor plays an important role in ensuring that its responsibilities are discharged effectively.
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#### 4. RISK

4.1 This report is presented for information only and has no risk management implications.

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#### 5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 No formal consultation has been undertaken in relation to this report.

5.2 This Committee previously considered the External Auditor's Audit Findings report for the year ending 31 March 2017 as part of the formal adoption of the annual financial statements for the 2016/17 financial year.

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#### 6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
<b>Impact on Corporate Priorities</b>	<ul style="list-style-type: none"><li>The Council is committed to delivering on its priorities and securing value for money through effective governance. This letter is one measure of how effective the Council has been in delivering against this commitment.</li></ul>	Head of Finance
<b>Risk Management</b>	<ul style="list-style-type: none"><li>This report is presented for information only and has no risk management implications.</li></ul>	Head of Finance
<b>Financial</b>	<ul style="list-style-type: none"><li>The financial implications arising from the work of external audit are detailed within Appendix 1.</li></ul>	Section 151 Officer & Finance Team
<b>Staffing</b>	<ul style="list-style-type: none"><li>None identified.</li></ul>	Head of Service of Finance
<b>Legal</b>	<ul style="list-style-type: none"><li>None identified.</li></ul>	Legal Team

<b>Privacy and Data Protection</b>	<ul style="list-style-type: none"> <li>• None identified.</li> </ul>	Legal Team
<b>Equalities</b>	<ul style="list-style-type: none"> <li>• The recommendations do not propose a change in service therefore will not require an equalities impact assessment</li> </ul>	Policy & Information Manager
<b>Crime and Disorder</b>	<ul style="list-style-type: none"> <li>• None identified.</li> </ul>	Head of Finance
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• None identified.</li> </ul>	Head of Finance

## **7. REPORT APPENDICES**

The following documents are to be published with this report and form part of the report:

- Appendix 1: Annual Audit Letter for the year ending 31 March 2017
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## **8. BACKGROUND PAPERS**

Audit Findings Report 2016/17

<https://services.maidstone.gov.uk/meetings/documents/s56839/Appendix%20A%20-%20Audit%20Findings%20Report%202016-17.pdf>

Audited Statement of Accounts 2016/17

[http://www.maidstone.gov.uk/\\_data/assets/pdf\\_file/0018/145008/Audited-Annual-Accounts-2016-v2.pdf](http://www.maidstone.gov.uk/_data/assets/pdf_file/0018/145008/Audited-Annual-Accounts-2016-v2.pdf)