

External Auditor's Annual Audit Letter

Final Decision-Maker	Audit, Governance and Standards Committee
Lead Head of Service/Lead Director	Mark Green, Director of Finance & Business Improvement
Lead Officer and Report Author	Ellie Dunnet, Head of Finance
Classification	Public
Wards affected	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 2018, and brings the audit process for 2017/18 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 2018, attached at appendix 1 is noted.

Timetable

Meeting	Date
Audit, Governance & Standards Committee	17 September 2018

External Auditor's Annual Audit Letter

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 2018. 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 2018 at its meeting on 30 July 2018. 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 31 July 2018; 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 2018.
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2. AVAILABLE OPTIONS

- 2.1 The Committee is 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 charged with governance, receiving regular reports from the external auditor is considered to play an important role in ensuring that this responsibility is discharged effectively.
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4. RISK

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

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 2018 as part of the formal adoption of the annual financial statements for the 2017/18 financial year.

6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	We do not expect the recommendations will by themselves materially affect achievement of corporate priorities. However, 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.	Head of Finance
Risk Management	This report is presented for information only and has no risk management implications.	Head of Finance
Financial	The financial implications arising from the work of external audit are detailed within Appendix 1.	Head of Finance
Staffing	No implications identified.	Head of Finance
Legal	The terms of reference for the Audit and Governance Committee specifically require the Committee to consider the external auditor's annual letter.	Team Leader (Corporate Governance), MKLS
Privacy and Data Protection	No implications identified.	Head of Finance

Equalities	No implications identified.	Head of Finance
Crime and Disorder	No implications identified.	Head of Finance
Procurement	No implications identified.	Head of Finance

7. REPORT APPENDICES

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

- Appendix 1: External Auditors Annual Audit Letter

8. BACKGROUND PAPERS

Audited Statement of Accounts 2017/18

http://www.maidstone.gov.uk/_data/assets/pdf_file/0018/190710/Audited-Annual-Accounts-2017.pdf

Audit Findings Report 2017/18

<https://meetings.maidstone.gov.uk/documents/s61831/Appendix%201%20-%20External%20Auditors%20Audit%20Findings%20Report.pdf>