

# Audit, Governance and Standards Committee

21 November 2016

Is the final decision on the recommendations in this report to be made at this meeting?

**Yes**

## External Auditor's Annual Audit Letter

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

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

1. That the committee considers the external auditor's annual audit letter for the year ending 31 March 2016 at Appendix I to this report.

### **This report relates to the following corporate priorities:**

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.

### **Timetable**

<b>Meeting</b>	<b>Date</b>
Audit, Governance and Standards Committee	7 November 2016

# External Auditor's Annual Audit Letter

## 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Annual Audit Letter summarises the main findings from the work undertaken by the external auditor for the year ended 31 March 2016. Representatives from Grant Thornton will 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.
- 

## 2. INTRODUCTION AND BACKGROUND

- 2.1 The committee has previously considered the External Auditor's Audit Findings report for the year ending 31 March 2016. The Annual Audit Letter at Appendix I summarises the key findings arising from the audit and effectively concludes this process.
  - 2.2 With regard to the 2015/16 audit:
    - The external auditor gave an unqualified opinion on the Council's accounts on 22 September 2016, in advance of the 30 September 2016 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.
- 

## 3. AVAILABLE OPTIONS

- 3.1 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.
- 

## 4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 It is recommended that the committee note and comment on the External Auditor's Annual Audit Letter included at Appendix I to this report and consider whether any recommendations should be made to other committees. As stated previously, the Annual Audit Letter provides stakeholders with an independent assessment of how the council is performing in a range of areas including value for money.

## 5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

5.1 This committee previously considered the External Auditor's Audit Findings report for the year ending 31 March 2016 as part of the formal adoption of the annual financial statements for the 2015/16 financial year.

---

## 6. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	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.	Section 151 Officer
<b>Risk Management</b>	Risk Management forms a key part of the corporate governance arrangements which are assessed as part of the annual audit and are commented on in this letter.	Section 151 Officer
<b>Financial</b>	The financial implications arising from the work of external audit are detailed within Appendix I.	Section 151 Officer
<b>Staffing</b>	None identified	
<b>Legal</b>	None identified	
<b>Equality Impact Needs Assessment</b>	None identified	
<b>Environmental/Sustainable Development</b>	None identified	
<b>Community Safety</b>	None identified	
<b>Human Rights Act</b>	None identified	
<b>Procurement</b>	None identified	
<b>Asset Management</b>	None identified	

## 7. REPORT APPENDICES

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

- Appendix I: Annual Audit Letter for the year ending 31 March 2016
-

## **8. BACKGROUND PAPERS**

None