

24 January 2018

Audit Committee

Annual Audit Letter 2016/17

Report of: *Jacqueline Van Mellaerts, Financial Service Manager (Deputy Section 151)*

Wards Affected: *All*

This report is: *Public*

1. Executive Summary

- 1.1 This report presents the Committee with the Annual Audit Letter issued by the external auditors, Ernst & Young, following the completion of the audit of the 2016/17 accounts.

2. Recommendation

- 2.1 **It is recommended that the contents of the Annual Audit Letter are noted.**

3. Introduction and Background

- 3.1 The purpose of the Annual Audit Letter is to communicate to members, and to the public and other stakeholders, the key issues arising from the audit of the accounts, which the external auditors consider should be brought to the attention of the Council.
- 3.2 The Annual Audit Letter is attached to this report as Appendix A. It contains the following sections:-
- a) Executive Summary – results of the 2016/17 audit process
 - b) Responsibilities – of the Appointed Auditors and the Council
 - c) Financial Statements Audit – key issues identified as part of the audit
 - d) Value for Money – arrangements put in place by the Council to secure value for money

e) Other reporting issues.

4. Introduction and Background

- 4.1 The detailed findings from the audit work were contained in the Final Audit Results Report, which was issued by Ernst & Young on 27th September 2017. The 2016/17 Statement of Accounts were signed on that day under delegated authority by the Chair of the Committee and the Deputy Section 151 Officer.
- 4.2 The Annual Audit Letter identifies the findings of the Final Audit Results Report that are most significant for the Council.
- 4.3 Officers are satisfied with the contents of the Audit Letter, none of which are contentious.

5. Reasons for Recommendation

- 5.1 A system of sound financial control and governance arrangements underpins all of the services and priorities of the Council.

6. Implications

Financial Implications

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- 6.1 The Value for Money section of the Letter makes reference to the Medium Term Financial Plan and the work being carried out by officers to reduce the cumulative funding gap.

Legal Implications

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- 6.2 All relevant legal considerations have been taken into account in the compilation of this report.

7. Background Papers

- 7.1 Final Audit Results Report, located in the Finance Office.

8. Appendices to this report

- Appendix A – Annual Audit Letter 2016/17

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