

**17 October 2018**

**Audit and Scrutiny Committee**

**Annual Audit Letter 2017/18**

**Report of:** *Jacqueline Van Mellaerts – Interim Chief Finance Officer*

**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 2017/18 accounts.

**2. Recommendation(s)**

- 2.1 It is recommended that the contents of the report and the Annual Audit Letter attached in Appendix A be 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 2017/18 audit process
  - b) Purpose and Responsibilities – Purpose of the Letter, 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.

- e) Other Reporting Issues – Further observations.
- f) Data Analytics – Explanation and results of the use of data analytics.
- g) Focused on your future – Impact of new accounting standards in future years.
- h) Audit Fees – Summary of fees paid for the year ended 31 March 2018

#### **4. Issue, Options and Analysis of Options**

- 4.1 The detailed findings from the audit work were contained in the Final Audit Results Report, which was issued by Ernst & Young on 24th July 2018, this was review by senior management and then noted by Committee on 25<sup>th</sup> July 2018.
- 4.2 The 2017/18 Statement of Accounts were approved by Committee on 25<sup>th</sup> July 2018 and signed by the Chair of the Committee and the Interim Chief Finance Officer.
- 4.3 The Annual Audit Letter identifies the findings from the Final Audit Results Report, and reports matter that are most significant for the Council.
- 4.4 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. Consultation**

- 6.1 None

#### **7. References to Corporate Plan**

- 7.1 The Council is responsible for putting in proper arrangements for secure economy, efficiency and effectiveness in its use of resources, which underpins the Corporate Plan.

## 8. Implications

### Financial Implications

**Name & Title: Jacqueline Van Mellaerts Interim Chief Finance Officer**

**Tel & Email 01277 312 500**

**jacqueline.vanmellaerts@brentwood.gov.uk**

- 8.1 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. The external Auditors did not identify any significant weaknesses in these arrangements.

### Legal Implications

**Name & Title: Daniel Toohey; Monitoring Officer**

**Tel & Email 01277 312 860 daniel.toohey@brentwood.gov.uk**

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

**Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 8.3 None

## 9. Background Papers (include their location and identify whether any are exempt or protected by copyright)

- 9.1 Annual Audit Results Report 2017/18 report to Committee on 25<sup>th</sup> July 2018.

## 10. Appendices to this report

- Appendix A - Annual Audit Letter 2017/18

### Report Author Contact Details:

**Name:** Jacqueline Van Mellaerts

**Telephone:** 01277 312 829

**E-mail:** Jacqueline.vanmellaerts@brentwood.gov.uk