

EXTERNAL AUDIT UPDATE, GRANT CERTIFICATION AND ANNUAL AUDIT LETTER

<u>Report of the:</u>	Director of Finance and Resources
<u>Contact:</u>	Kathryn Beldon
Urgent Decision?(yes/no)	No
If yes, reason urgent decision required:	N/A
<u>Annexes/Appendices</u> (attached):	Annexe 1 – Progress & Update Report Annexe 2 – Annual Audit Letter Annexe 3 – Grant certification letter
<u>Other available papers</u> (not attached):	None Stated

REPORT SUMMARY

This report covers three updates from Grant Thornton; who are the Council's external auditors.

There is an update on the Audit letter and an update Grant Certification letter for the year ended 31 March 2016. Both of these items have to be received by this Committee in accordance with the Audit regulations.

Finally there is general progress report on latest issues from Grant Thornton who will be attendance at the meeting to present this short item and the letters.

RECOMMENDATION (S)

- (1) That the Committee receives the Progress and Update Report (Annexe 1) presented by Grant Thornton staff.**
- (2) That the Committee note the Annual Audit Letter for 2015/16 (Annexe 2).**
- (3) That the Committee note the Grant Certification Letter (Annexe 3).**

Notes

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 The annual audit is a key part of the arrangements for ensuring that the Council manages its resources appropriately so the Council's resources are used in the most efficient and effective way.
- 1.2 A progress report is attached on latest audit issues at **Annexe 1** and will be presented by Grant Thornton staff present at this meeting.

2 Background for audit issues for 2015/16

- 2.1 The final Annual Audit Letter has now been issued and this summarises the key findings from the audit work covering the Council's financial performance for 2015/16.
- 2.2 The Annual Audit Letter is attached as **Annexe 2** to this report and confirms the following initial findings following the audit of the accounts;
 - 2.2.1 An unqualified opinion on the accounts which give a true and fair view of the Council's financial opinion as at 31 March 2016 and its income and expenditure for the year;
 - 2.2.2 An unqualified conclusion in respect of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources;
 - 2.2.3 Certification of grant claims and the letter outlined in the Grant Certification report which is attached as **Annexe 3**.

3 Proposals

- 3.1 The Committee is asked to receive and note the letters and receive the progress update report from Grant Thornton staff.

4 Financial and Manpower Implications

- 4.1 The audit has been completed within the budget as previously reported.
- 4.2 The 2016/17 will also be carried out by Grant Thornton and the audit fee will be £44,708 which is within budget for this year.
- 4.3 **Chief Finance Officer's comments:** *The annual audit letter is part of the overall external audit process for the Council. The Council has received an unqualified opinion from the external auditor for 2015/16.*

5 Legal Implications (including implications for matters relating to equality)

- 5.1 **Monitoring Officer's comments:** *There are no legal implications arising directly from this report. External Audit reports and opinions, form a key part of the Council's governance arrangements.*

6 Sustainability Policy and Community Safety Implications

6.1 There are no implications for the purpose of this report.

7 Partnerships

7.1 There are no partnerships for the purpose of this report.

8 Risk Assessment

8.1 The external audit contributes towards the effective corporate governance of the Council.

9 Conclusion and Recommendations

9.1 There are no concerns from the issue of the Annual Audit Letter for 2015/16.

WARD(S) AFFECTED: (All Wards);