

Executive Report

Ward(s) affected: All

Report of the Chief Finance Officer

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## Annual Audit Letter 2018-19

### Executive Summary

The external audit for 2018-19 is complete and the independent auditor has now issued their Annual Audit Letter. The letter is attached at Appendix 1. The Annual Audit Letter includes findings and recommendations that were raised in the Audit Findings Report, which was presented to Corporate Governance and Standards Committee on 30 July 2019.

The Council's annual external audit is carried out by Grant Thornton and their annual audit letter summarises the key findings from their work on the Council's financial statements and on its arrangements for value for money. Grant Thornton gave an unqualified opinion on the Council's financial statements on 31 July 2019. The auditors were satisfied that the Council has put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources.

At its meeting on 19 September 2019, the Corporate Governance and Standards Committee considered the Annual Audit Letter and commended it for formal approval by the Executive.

### Recommendation to Executive:

That the Annual Audit Letter for 2018-19 be approved.

### Reason for Recommendation:

To approve the Annual Audit Report

### 1. Purpose of Report

- 1.1 The report sets out the Annual Audit Letter received from Grant Thornton, our external auditors.

## **2. Strategic Priorities**

- 2.1 Good financial management underpins all that the Council does and helps to achieve the priorities set down in the Corporate Plan.

## **3. Background**

- 3.1 The Annual Audit Letter from Grant Thornton is attached as **Appendix 1**. Within the letter, they refer to the Audit Findings Report that the Corporate Governance and Standards Committee considered at its meeting held on 30 July 2019.

- 3.2 The Annual Audit Letter summarises the key findings arising from:

- (a) auditing the 2018-19 accounts and Whole of Government Accounts return
- (b) assessing the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources
- (c) certification of grants claims and returns.

- 3.3 The Council received an unqualified opinion on the accounts and its arrangements for securing economy, efficiency and effectiveness and an assurance statement on the Whole of Government Accounts.

- 3.4 The auditors are still working on the housing benefit grant claim and will report the findings of the audit to the Corporate Governance and Standards Committee, in their annual certification letter early next year.

- 3.5 To assess the Council's value for money, Grant Thornton reviewed the Council's medium term financial plan and general fund capital programme. Their findings and recommendations were reported as part of the audit findings report to the Committee on 30 July 2019.

## **4 Consultations**

- 4.1 No consultations are required for this report.

## **5 Equality and Diversity Implications**

- 5.1 There are no equality and diversity implications arising from this report.

## **6. Financial Implications**

- 6.1 There are no financial implications arising as a result of this report.

## **7. Legal Implications**

- 7.1 The International Standard on Auditing (UK and Ireland) 260 requires the external auditor to report any issues arising from the audit of the Financial Statements to those charged within governance. In the Council's case, this is the Corporate Governance and Standards Committee.

**8. Human Resource Implications**

8.1 There are no human resource implications arising as a result of this report

**9. Summary of Options**

9.1 Consideration of alternative options is not applicable to this report.

**10. Conclusion**

10.1 The Council received an unqualified opinion on its accounts for 2018-19 and its arrangements for securing economy, efficiency and effectiveness. We also received an assurance statement on our Whole of Government Accounts submission.

**11. Background Papers**

None

**12. Appendices**

Appendix 1: Grant Thornton: Annual Audit Letter Year ended 31 March 2019