

Corporate Governance and Standards Report

Ward(s) affected: All

Report of the Managing Director

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Annual Audit Letter 2014-15

Executive Summary

The external audit for 2014-15 is complete and the independent auditor has now issued their Annual Audit Letter. The letter is attached at Appendix 1. The Annual Audit Letter does not include any findings that were not raised in the Audit Findings Report, which was presented to Corporate Governance and Standards Committee on 24 September 2015.

Recommendation to Corporate Governance and Standards Committee

That the Corporate Governance and Standards Committee notes the content of the Annual Audit Letter. The Executive will approve the Annual Audit Letter on the 24 November 2015.

Reason for Recommendation:

To note the Annual Audit Report

1. Purpose of Report

1.1 The report will introduce 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 **Appendix 1** attached is the Annual Audit Letter from Grant Thornton. Within the letter, they refer to the Audit Findings Report that the Corporate Governance and Standards Committee considered on 24 September 2015.
- 3.2 The Annual Audit Letter summarises the key findings arising from:
- (a) auditing the 2014-15 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 claim and will report the findings of the audit to the Corporate Governance and Standards Committee, later in the year.
- 3.5 The Annual Audit Letter does not include anything that was not raised within the Audit Findings Report, which contained some recommendations from the auditors because of their work, an action plan and management's response to the recommendations was reported to the Corporate Governance and Standards Committee on 24 September 2015.

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 2014-15 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 2015