

Corporate Governance and Standards Committee Report

Ward(s) affected: All

Report of the Managing Director

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## Annual Audit Letter 2015-16

### Executive Summary

The external audit for 2015-16 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 updated findings to recommendations that were raised in the Audit Findings Report, which was presented to Corporate Governance and Standards Committee on 22 September 2016.

### Recommendation to Executive (29 November 2016):

That the Annual Audit Letter for 2015-16 be approved.

### Reason for Recommendation:

To approve the Annual Audit Report

### 1. Purpose of Report

1.1 The report presents 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 on 22 September 2016.

- 3.2 The Annual Audit Letter summarises the key findings arising from:
- (a) auditing the 2015-16 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 later in the year.
- 3.5 Page 8 of the Annual Audit Letter includes updated responses and actions following recommendations raised within the Audit Findings Report, which were reported to the Corporate Governance and Standards Committee on 22 September 2016.

#### **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 with 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 2015-16 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 2016