

Audit Committee

26 July 2018



Title	External Audit Report on the 2017/18 Audit and Statement of Accounts		
Purpose of the report	To note		
Report Author	Terry Collier		
Cabinet Member	Councillor Howard Williams	Confidential	No
Corporate Priority	Financial Sustainability		
Recommendations	<p>The Audit Committee is asked to note the External Auditor's 2017/18 audit report (Appendix A).</p> <p>That the Chief Finance Officer and Chairman of the Committee sign the Statement of Accounts.</p> <p>That the Audit Committee notes the draft officer responses to the recommendations made in Appendix 1 of the Auditors report.</p>		
Reason for Recommendation	The Committee has the delegated authority to sign off the audited Statement of Accounts		

1. Key issues

- 1.1 External auditors appointed by the Public Sector Auditor Appointments (PSAA), KPMG, are required, in accordance with international auditing standards, to annually report to the Council on:
 - Their opinion on the Statement of Accounts
 - Any uncorrected items in the Statement of Accounts
 - Qualitative aspects of the Council's accounting practices and financial reporting
 - The Annual Governance Statement
 - Their annual Value for Money conclusion
- 1.2 They also report annually on their audit of the Council's accounting and internal control systems.
- 1.3 The KPMG draft report on the 2017/18 audit is attached as Appendix A Financial Statements

- 1.4 The final version of the Statement of Accounts, reflecting the amendments required by the external auditors, is attached as Appendix B. Despite the statutory deadline for producing the draft accounts being a month earlier this year (end of May instead of end of June) and the deadline for completion of external audit being two months earlier (end of July instead of end of September), the 2017/18 process has gone much more smoothly this year. This was helped by having a settled team and bringing in on an interim basis an additional accountant.
- 1.5 KPMG report (page 4 of the report) that the Annual Governance Statement (AGS) complies with CIPFA Delivering Good Governance guidance.
- 1.6 KPMG identify six prior year recommendations which in their view require further action and one further recommendation that was superseded by a new recommendation in 2017/18. Three new recommendations on improvements to be made for future processes are set out. These recommendations are set out on pages 22 to 29 along with the management responses.

Value for Money

- 1.7 As result of the additional work generated to review the arrangements and impact of the large BP site acquisition in September 2016 KPMG are still concluding their work reviewing to confirm that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2017. This will then in turn able KPMG to confirm their Value for Money Opinion for year ended 31 March 2018. The KPMG auditor who has led on the Value for Money work will be attending the Committee meeting.

Options analysis and proposal

- 2.0 That the Deputy Chief Executive in his role as the statutory Chief Financial Officer, and the Chairman of the Audit Committee sign the draft letter of representation.
- 2.1 That the Committee note the recommendations made in Appendix 1 of the auditor's report and draft responses made by Officers. Progress on implementation will be reported back future meetings of the Committee

3 Financial implications

There are none.

4, Other considerations

- 1.1 There are none.

5 Timetable for implementation

As per the responses set out to the recommendations.

Background papers: None

Appendices: Appendices:

A- KMPG Report

B- Audited Statement of Accounts 2017/18