

Meeting:	Audit and governance committee
Meeting date:	28 November 2016
Title of report:	2015/16 annual audit letter
Report by:	Interim director of resources

Classification

Open

Key decision

This is not an executive decision.

Wards affected

Countywide

Purpose

To consider and note the external auditor's statutory annual audit letter (AAL) for 2015/16.

Recommendation(s)

THAT:

- (a) **the annual audit letter (AAL) for 2015/16 at appendix 1 is reviewed and the committee determine whether any issues require further action or inclusion in the committee's work programme.**

Alternative options

- 1 The AAL is a statutory process and therefore no alternative options are outlined.

Reasons for recommendations

- 2 The code of audit practice in local government requires the external auditor to report to those charged with governance the conclusions they have drawn from their audit work and their opinion on the financial statements and value for money. It is a function of the committee to: consider reports of external audit and inspection agencies and take appropriate action where relevant to the remit of the audit and governance committee.

Key considerations

- 3 The AAL is intended to provide the means for external audit to communicate key messages to the council and external stakeholders. The external auditors issued an unqualified opinion on the statement of accounts for 2015/16. The external auditors confirmed that the accounts were made available for audit in line with the agreed timetable and provided a good set of working papers to support them.
- 4 An unqualified conclusion was issued in respect of value for money. The external auditors are satisfied that the Council has proper arrangements in place securing the economy, efficiency and effectiveness in its use of resources.
- 5 The external auditors have confirmed that they will work with us in delivering the highways network asset revaluation work required in 2016/17. The revaluation is expected to have a significant impact on the council's 2016/17 statement of accounts, both in values and levels of disclosure and an action plan to ensure this is correctly disclosed has been prepared.

Community impact

- 6 The council is responsible for ensuring that appropriate safeguards are in place to ensure that it operates effective governance arrangements and internal controls; the reports and opinions of external audit inform future improvement action.

Equality duty

- 7 The content of the report has no direct impact on equality or human rights.

Financial implications

- 8 There are no financial implications arising from this report.

Legal implications

- 9 The AAL is shared as part of the statutory duty of the external audit function.

Risk management

- 10 The AAL identifies risks and actions being undertaken to mitigate those risks.

Consultees

- 11 None

Appendices

Appendix 1 – annual audit letter.

Background papers

None identified.