

Meeting:	Audit & governance committee
Meeting date:	20 September 2017
Title of report:	Audit finding report 2016/17
Report by:	Head of corporate finance

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose and summary

To consider a report from the council's external auditor on the audit findings for the year ending 31 March 2017. This is one of a number of reports which the committee receives in order that it may provide independent assurance on the adequacy of the risk management framework together with the internal control of the financial reporting and annual governance processes.

Recommendation(s)

That:

- (a) the report of the external auditor attached at appendix A be considered; and**
- (b) the committee determine whether any issues raised in the report require inclusion in the committee's future workplan.**

Alternative options

1. There are no alternative options to receiving the report.

2. It is open to the committee to determine its future work programme to enable it to provide assurance on the adequacy of the councils risk management, financial reporting and annual governance processes.

Key considerations

3. The auditors reviewed the financial resilience, value for money and statement of accounts of the council by looking at key indicators of financial performance, its approach to strategic financial planning, its approach to financial governance and its approach to financial control.
4. The overall conclusion is green in all of these areas, the same as 2015/16, meaning adequate arrangements are in place. An amber assessment has been provided in the area of judgements and estimations to reflect the protracted work programme for concluding this year's audit. A follow up action plan has been presented and agreed to improve this next year.
5. The audit findings report includes an agreed action plan with actions delegated to officers with an agreed timeframe to enable improvements to be made to ensure adherence to the accelerated audit timetable for 2017/18.

Community impact

6. There is no community impact arising from this report. The council is committed to maintaining high standards of corporate governance with the reports recommendations supporting the council's code of corporate governance.

Equality duty

7. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -
 - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
8. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

9. There are no financial implications arising from this report. The annual audit fee is £124k and the agreed action plan is not expected to generate additional cost or resourcing.

Legal implications

10. The external audit opinion considered whether the financial statements give a true and fair view in accordance with International Financial Reporting Standards and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and applicable law. An unqualified external audit opinion has been expressed.

Risk management

11. The council's management is responsible for the identification, assessment, management and monitoring of risk, and for developing, operating and monitoring the system of internal control. The external audit is not designed to test all internal controls or identify all areas of control weakness, however, if external audit identify any control weaknesses, these are reported. The external audit work has not identified any control weaknesses.

Consultees

12. None

Appendices

13. Appendix A – audit findings report

Background papers

14. None identified