

19 July 2018		ITEM: 9
Standards and Audit Committee		
Audit Results Report for the Year Ended 31 March 2018		
Wards and communities affected: All		Key Decision: Key
Report of: Sean Clark, Director of Finance and IT		
Accountable Assistant Director: N/A		
Accountable Director: Lyn Carpenter, Chief Executive		
This report is Public		

Executive Summary

This report details the findings of the external auditors from their audit of the 2017/18 financial statements.

External audit propose to issue an unqualified audit opinion and an unqualified value for money conclusion subject to the completion of their outstanding work.

1. Recommendation(s)

- 1.1 That the Standards and Audit Committee consider the comments of the external auditors as set out in the attached report and note their findings.**

2. Introduction and Background

- 2.1** The external audit process is now substantially complete. The financial statements further developed in 2017/18 to include the updated requirements of the CIPFA Code of Practice on Local Authority Accounting (The Code) and now also incorporate group financial statements which include the results of Thurrock Regeneration Ltd and Gloriana Thurrock Homes Ltd.
- 2.2** This report sets out the External Auditor's findings and officers are pleased to note that the auditors:
- a) Intend, subject to completing the audit, give an unqualified opinion on the Financial Statements; and
 - b) Intend, subject to completing the audit, give an unqualified opinion on the Value for Money assessment.

3. Issues, Options and Analysis of Options

- 3.1 External audit have reported three specific items which the Council have agreed to adjust in the final financial statements. These items have not impacted on the general fund balance which remains at £11m.
- 3.2 The detail for each of these is set out in the audit report presented by Ernst and Young.
- 3.3 There is one material adjustment to the Council's financial statements relating to a reduction in the Council's share of assets in the Essex Pension Fund. The total reduction is £8.168m and this is reflected as an increase in the Council's pension liability in the financial statements. This change was notified by Essex Pension Fund following an update to the original valuation notified to the Council.
- 3.4 There are two further specific items. The first relates to a reclassification of interest receivable from long term debtors to short term debtors. The second impacts on the group financial statements only relates to a recalculation of the value of property stock in Thurrock Regeneration Ltd. Neither of these items has a material impact on the financial statements.
- 3.5 The audit has progressed smoothly and the finance team has worked effectively with external audit to complete the work within agreed timescales and the Council has met the earlier closedown deadlines in 2018/19.
- 3.6 The unqualified value for money conclusion supports the work of Members and Officers to ensure the Council remains financially sustainable in the medium term.

4. Reasons for Recommendation

- 4.1 For the committee to note the findings of the external auditors and have mind to these findings when considering the Annual Governance Statement and Financial Statements later on this agenda.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 All services and senior management have been consulted in the compilation of both of this document.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The level of resources and how they are allocated will affect the amounts available towards the Council's overall aims and objectives.

7. Implications

7.1 Financial

Implications verified by: **Sean Clark**
Director of Finance and IT

The statements are largely governed by the Code. Apart from reporting the Council's financial position as at 31 March 2018, there are no further financial implications arising directly from this report.

7.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Legal and Monitoring Officer

There are no specific implications from this report.

7.3 Diversity and Equality

Implications verified by: **Becky Price**
Community Development & Equalities Manager

There are no specific implications from this report.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

There are no specific implications from this report.

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- There are various working papers within Corporate Finance.

9. Appendices to the report

- Appendix 1 - Audit Results Report – to be tabled at committee.

Report Author:

Sean Clark
Director of Finance and IT