

<b>21 September 2017</b>		<b>ITEM: 10</b>
<b>Standards and Audit Committee</b>		
<b>Audit Results Report for the Year Ended 31 March 2017</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Sean Clark, Director of Finance and IT		
<b>Accountable Assistant Director:</b> N/A		
<b>Accountable Director:</b> Lyn Carpenter, Chief Executive		
<b>This report is Public</b>		

## **Executive Summary**

This report details the findings of the external auditors from their audit of the 2016/17 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 2016/17 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 Gloriana Thurrock 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 There are no material uncorrected misstatements but the Council has decided not to correct the non-material items included in the external audit report.
- 3.2 The overall impact of correcting these items would be a small increase in the general fund balance. This will be reflected in 2017/18.
- 3.3 There are two principal reasons for not correcting the items noted:
- The misstatements relate to capital items which will be addressed in the 2017/18 period.
  - They relate to estimates of potential errors based on a process of extrapolation used by external audit.
- 3.4 The detail for each of these is set out in the audit report and officers have agreed with external audit that the rationale for not correcting these items is reasonable.
- 3.5 The audit has progressed smoothly within agreed timescales and the Council is in a strong position to meet the earlier closedown deadlines in 2017/18.
- 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 2017, 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: **Natalie Warren**  
**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

### **Report Author:**

Sean Clark  
Director of Finance and IT