

<b>27 September 2018</b>		<b>ITEM: 7</b>
<b>Standards &amp; Audit Committee</b>		
<b>Thurrock Annual Audit Letter 2017/18</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non-key	
<b>Report of:</b> Sean Clark, Director of Finance and IT		
<b>Accountable Head of Service:</b> N/A		
<b>Accountable Director:</b> Sean Clark, Director of Finance and IT		
<b>This report is Public</b>		

### **Executive Summary**

The external auditors are responsible for:

- Forming an opinion on the Financial Statements;
- Reviewing the Annual Governance Statement;
- Forming a conclusion on the arrangements that the Authority has in place to secure economy, efficiency and effectiveness in its use of resources; and
- Undertaking any other work specified by the regulator.

The Annual Audit Letter summarises this work and is appended to this report. The content of this letter has been largely reported to this committee in July 2018 as part of the Audit Results Report which confirmed:

- The Council received an unqualified audit opinion on the 2017/18 Financial Statements
- The Council received an unqualified value for money conclusion.
- The Annual Governance Statement was consistent with external audit's knowledge of the Council

The Annual Audit Letter summarises these conclusions alongside the wider areas of work completed at the Council.

## **1. Recommendation(s)**

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

## **2. Introduction and Background**

- 2.1. The main message is the auditors issued an unqualified audit opinion on the 2017/18 financial statements and an unqualified value for money conclusion.
- 2.2. The findings from the financial statement audit in relation to the significant risk areas identified in the audit plan are set out in the appendix. The Council positively addressed these risks as noted in the report and these were considered by the Committee in July 2018 as part of the Audit Results Report.
- 2.3 The financial statements produced were to a high standard, were supported by relevant supporting records and were completed within statutory deadlines. Officers worked hard to support the audit process and resolve queries quickly and effectively.
- 2.4 In arriving at their value for money conclusion the auditors confirmed the Council has arrangements in place to address the identified risk in relation to the achievement of savings over the medium term.

## **3. Issues, Options and Analysis of Options**

- 3.1 The report continues the positive work from the previous year and officers continue to work to maintain the high standard of the financial accounts.
- 3.2 The Council is working to meet the significant financial challenges caused by ongoing reductions in funding and continue to monitor the position through the Medium Term Financial Strategy.

## **4. Reasons for Recommendation**

- 4.1 For the committee to note the findings of the external auditors.

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

- 5.1 The Annual Audit Letter summarises the reports that have previously been communicated to Members of the Standards and Audit Committee.

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

- 6.1 There are no implications arising from the Annual Audit Letter.

## **7. Implications**

### **7.1 Financial**

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

The financial implications are noted in the body of the report.

### **7.2 Legal**

Implications verified by: **David Lawson**  
**Deputy Head of Law and Governance**

The Council is required to publish the Annual Audit Letter following consideration by members in accordance with paragraph 20 of the Accounts and Audit Regulations 2015.

### **7.3 Diversity and Equality**

Implications verified by: **Rebecca Price**  
**Community Development Officer**

There are no specific diversity and equality implications arising 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 accountancy.

## **9. Appendices to the report**

- Appendix 1 – The Annual Audit Letter

### **Report Author:**

Sean Clark

Director of Finance and IT

Corporate Finance