

 Finance and Audit Scrutiny Committee 29 August 2018		Agenda Item No. 5
Title	Closure of 2016/17 Audit	
For further information about this report please contact	Mike Snow 01926 456800	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No. Appendix A confidential.	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	External audit papers included as appendices	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No
Equality Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	13/8/2018	Andrew Jones
Head of Service	13/8/2018	Mike Snow
CMT	13/8/2018	
Section 151 Officer	13/8/2018	Mike Snow
Monitoring Officer	13/8/2018	Andrew Jones
Finance	13/8/2018	Jenny Clayton
Portfolio Holder(s)	13/8/2018	Peter Whiting
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?		Yes/No
Suggested next steps (if not final decision please set out below)		

1. **Summary**

- 1.1 This report brings to members' attention the closure of the 2016/17 audit.

2. **Recommendations**

- 2.1 It is recommended that Finance and Audit Scrutiny Committee note the conclusion of the 2016/17 audit.

3. **Reasons for the Recommendation**

3.1 **Conclusion of 2016/17 audit**

Members will be aware that the auditors have not been able to conclude audit of the accounts for 2016/17. The closure of the audits for 2013/14, 2014/15 and 2015/16 was reported to members in March of this year, these having been delayed due the need for the auditors to consider two objections to the 2013/14 and 2014/15 accounts. Whilst no objections had been made in respect of 2015/16, the Accounts could not be closed until the prior years' objections were not resolved. An objection remained in respect of the 2016/17 audit, preventing the closure of the audit for that year. The auditors have now been able to complete their investigations and have duly responded to the 2016/17 objector. As with the earlier objections, the auditors have concluded that it would not be in the public interest for them to make a public interest report under Section 8 of the Audit Commission Act 1998.

- 3.2 The auditors have responded to the objector. Due to the detailed content of this letter, with much information which is of a personal nature, the Council's lawyers have confirmed the auditors' letters may be shared with Finance and Audit Scrutiny Committee, but this needs to be on a totally confidential basis. The Council's auditors also agree with this. A copy the letter is included as confidential Appendix A to this report, as item 12 on this agenda. Any discussion over the content of this appendix must be held in confidential session.
- 3.3 It will be noted from the auditor's letter to the objector, three of the four matters relate to items considered in previous years' objections, with the auditor stating why it is inappropriate for these matters to be considered further. The fourth item has been considered in detail with it being concluded that the cost of producing a report in the public interest would be disproportionate to the sums of the items of accounts involved.
- 3.4 The final Audit Opinion has now been issued in respect of 2016/17. This is included as Appendix B. The detail and basis for this opinion does not present any new information above what has been previously reported to members in respect of 2016/17.

4. **Policy Framework**

4.1 **Fit for the Future (FFF)**

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

FFF Strands		
People	Services	Money
External		
Health, Homes, Communities	Green, Clean, Safe	Infrastructure, Enterprise, Employment
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/ productivity of local economy Increased employment and income levels
Impacts of Proposal		
The Subsidy Benefits seeks to provide assurance that claimants are in receipt of the correct level of benefit.	No direct impact.	No direct impact.
Internal		
Effective Staff	Maintain or Improve Services	Firm Financial Footing over the Longer Term
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	<u>Intended outcomes:</u> Focusing on our customers' needs Continuously improve our processes Increase the digital provision of services	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost management Maximise income earning opportunities Seek best value for money
Impacts of Proposal		
No direct impact.	No direct impact.	The work provided by the Council's external auditors should provide members with assurance that the Council's finances are being properly managed and reported upon in accordance with statutory requirements.

4.2 Supporting Strategies

This report indirectly impacts upon all of the Council's strategies on the basis that they all require funding and for that funding to be properly managed. It is part of the role of the external auditors to confirm that the Council's finances are being properly managed.

4.3 Changes to Existing Policies

No changes to existing policies are proposed.

4.3 Impact Assessments

Not applicable.

5. Budgetary Framework

- 5.1 The additional work and costs have been incurred by the Council and auditors in respect of the Objections to the Accounts. Details of the final costs from Grant Thornton are still awaited.

6. Risks

The requirement for external auditors is part of the assurance framework under which all local authorities operate. The audit of the accounts and associated grant claims seeks to provide assurance to all stakeholders that the Council's finances, as reported in the Accounts, are being properly managed.

7. Alternative Option(s) considered

- 7.1 None.