

Item No. 10.	Classification: Open	Date: 16 November 2016	Meeting Name: Audit, Governance and Standards Committee
Report title:		Annual Audit Letter 2015-16	
Ward(s) or groups affected:		All	
From:		Strategic Director of Finance and Governance	

RECOMMENDATION

1. That the audit, governance and standards committee note the annual audit letter (Appendix 1).

BACKGROUND INFORMATION

2. The annual audit letter provides an overall summary of the external auditor's key findings from the work they have carried out for the year ended 31 March 2016. It draws on the findings and conclusions from the audit of the council and from work that has been undertaken in the last year.
3. The main issues from the audit work were reported in Grant Thornton's audit findings reports which were presented to the audit and governance committee on 14 September 2016. This letter summarises the position on the audit of financial statements and the Whole of Government Accounts submission, the assessment of arrangements to achieve value for money in the use of resources, and the current position in respect of the certification of grant claims and returns. It also considers the implications of the recently published Code of Practice on the Highways Network Asset.

KEY ISSUES FOR CONSIDERATION

4. Grant Thornton has the following key messages to report in the letter:
 - Unqualified opinions on the council's statements of accounts for the year ended 31 March 2016, issued on 26 September 2016, in line with the deadline set by the Department for Communities and Local Government
 - An unqualified conclusion in respect of arrangements for securing economy, efficiency and effectiveness, also issued on 26 September 2016
 - The council's Whole of Government Accounts (WGA) final submission was not submitted for audit until 17 October 2016 and Grant Thornton was unable to complete its work by the deadline of 21 October 2016
 - Audit of the 2015-16 housing benefit subsidy claim is in progress and the deadline of 30 November 2016 is expected to be met

- Grant Thornton is working with the council on the accounting and other implications of the Code of Practice on the Highways Network Asset and will address the audit risks in its 2016-17 audit plan
- The audit fees for both the council and the pension fund were in line with the planned fees for the year and that for grant certification work is also expected to be in line with the scale fee.

Community impact statement

5. This report and the accompanying letter from the external auditor are not considered to have a direct impact on local people and communities.

Resource implications

6. There are no direct resource implications in this report.

Consultation

7. The annual audit letter is a key document in assessing the council's progress and plans for the future. The letter will be published on the council's website in accordance with usual practice.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

8. None required.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Audit Findings Reports 2015-16	Finance and Governance, Tooley Street, Second Floor	Jo Anson 020 7525 4308
Statement of Accounts 2015-16	Finance and Governance, Tooley Street, Second Floor	Fay Hammond 020 7525 0614

APPENDICES

No.	Title
Appendix 1	Grant Thornton annual audit letter year ended 31 March 2016

AUDIT TRAIL

Lead Officers	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Jo Anson, Head of Financial and Information Governance	
Version	Final	
Dated	3 November 2016	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Law and Democracy	No	No
Strategic Director of Finance and Governance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team		3 November 2016