

# BROMSGROVE DISTRICT COUNCIL

## AUDIT STANDARDS & GOVERNANCE COMMITTEE

23<sup>rd</sup> July 2018

### GRANT THORNTON AUDIT FINDINGS REPORT 2017/18

Relevant Portfolio Holder	Councillor Brian Cooper
Portfolio Holder Consulted	-
Relevant Head of Service	Jayne Pickering – Exec Director Finance and Resources
Ward(s) Affected	All Wards
Ward Councillor(s) Consulted	No
Key Decision / Non-Key Decision	Non–Key Decision

#### 1. SUMMARY OF PROPOSALS

- 1.1 To present Members with the Grant Thornton Audit Findings Report in relation to the final accounts 2017/18.

#### 2. RECOMMENDATIONS

- 2.1 **That the Committee considers and notes the Audit Findings Report 2017/18 as attached at Appendix 1.**
- 2.2 **That the Committee recommend to Council the approval of the draft letter of representation as included at Appendix 2.**

#### 3. KEY ISSUES

##### Financial Implications

- 3.1 The cost associated with the External Audit is funded from approved budgets. There are no additional charges for the 2017/18 Audit work.

##### Legal Implications

- 3.2 The Council has a statutory responsibility to comply with financial regulations. Included within the report is a recommendation to the Council under section 11(3) of the Audit Commission Act 1998. As can be seen within the Appendix, the recommendations relating to the final accounts have all been delivered to the satisfaction of Grant Thornton.

##### Service / Operational Implications

- 3.3 The report attached at Appendix 1 presents the Audit Findings Report in relation to the audit of the 2017/18 Statement of Accounts.
- 3.4 The Statement of Accounts for 2017/18 needed to be submitted by 31<sup>st</sup> May 2018 a month earlier than previous years and the external audit completed by the 31<sup>st</sup> July 2018 two months earlier than previous years.

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- 3.5 The accounts were submitted to the Auditors on 30<sup>th</sup> May 2018 within the statutory deadline. As noted in the Appendix the Auditors have acknowledged the accounts were submitted in advance of the deadline and that they have been able to complete the audit by the end of July as planned (compared with September last year). There are no material issues or misstatements that have been identified by the Auditors. There was one presentational misstatement relating to cash and cash equivalents where the net figure was shown on face of the balance sheet rather than the gross. This had no impact on the bottom line. The main recommendation is a quality control review to take place prior to account completion.
- 3.6 Whilst minor areas of work are continuing it is anticipated that an unqualified opinion will be given on the accounts.
- 3.7 In relation to the Value for Money judgement the Council now has an unqualified opinion whereas in previous years this has been qualified. This is due to the auditors acknowledging the level of reserves and balances the council has available. However; there is continued pressure to deliver savings required to ensure a balanced MTFP.

#### **Customer / Equalities and Diversity Implications**

- 3.8 There are no implications arising out of this report.

#### **4. RISK MANAGEMENT**

- 4.1 The recommendations from the External Auditors will be picked up within the financial services risk arrangements

#### **5. APPENDICES**

Appendix 1 – Grant Thornton Audit Findings Letter 2017/18  
Appendix 2 – Letter of Representation

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