

BROMSGROVE DISTRICT COUNCIL

AUDIT STANDARDS & GOVERNANCE COMMITTEE

30th July 2019

GRANT THORNTON AUDIT FINDINGS REPORT 2018/19

Relevant Portfolio Holder	Councillor Geoff Denaro
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 2018/19.

2. RECOMMENDATIONS

- 2.1 **That the Committee considers and notes the Audit Findings Report 2018/19 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 of £37k represents a reduction of £11k from 2017/18. However, due to a number of additional issues that had to be undertaken in more detail by the Auditors there is an additional £7k charge for the 2018/19 accounts. These are detailed in Appendix 1.

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 2018/19 Statement of Accounts.
- 3.4 The accounts were submitted to the Auditors on 30th May 2019 within the statutory deadline. There have been 2 recommendations relating to the quality of the audit working papers and

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the overall quality of the audit process. Officers will be working with Grant Thornton to ensure training and quality improvements are made for the 2019/20 audit.

- 3.5 Whilst minor areas of work are continuing it is anticipated that an unqualified opinion will be given on the accounts.
- 3.6 In relation to the Value for Money judgement the Council has an unqualified opinion as in 2017/18. 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 and this is recognised in the audit opinion.

Customer / Equalities and Diversity Implications

- 3.7 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 2018/19

Appendix 2 – Letter of Representation

AUTHOR OF REPORT

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