

**EXTERNAL AUDIT - ANNUAL LETTER TO MEMBERS 2015-16**  
**WDA/29/16**

**Recommendation**

That:

1. Members note the contents of the Annual Audit Letter

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**EXTERNAL AUDIT - ANNUAL LETTER TO MEMBERS 2015-16**  
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**Report of the Treasurer**

**1. Purpose of the Report**

- 1.1 To present to Members the Annual Audit Letter and to report the outcome of the 2015-16 audit undertaken by the Authority's external auditor, Grant Thornton.

**2. Background**

- 2.1 Grant Thornton was appointed by the former Audit Commission as the Authority's external auditor, and this appointment has been extended until 2017-18. The external auditor is required to review various aspects of the Authority's activities in line with the requirements of the National Audit Office's (NAO's) Code of Audit Practice (the Code) and auditing standards.
- 2.2 Grant Thornton produced an Annual Governance Report which was presented to Members at a meeting of the Authority held on 23<sup>rd</sup> September 2016.
- 2.3 The report considered the auditor's findings in relation to the Authority's Financial Statements and Use of Resources (Value for Money Conclusion) for 2015-16 and the auditor issued an unqualified opinion for each.

**3. 2015-16 Annual Audit Letter**

- 3.1 Upon completion of the annual audit, Grant Thornton is required to publish an Annual Audit Letter which summarises the outcome of their work and makes specific recommendations for the coming year.
- 3.2 The Chief Executive has now received the Annual Audit Letter for 2015-16 which is attached at Appendix 1.
- 3.3 The 2015-16 Annual Audit Letter reports the Authority's position in relation to the following key areas:
- the Authority's accounts; and

- whether the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 3.4 As noted above, the auditor has issued an unqualified opinion on the Authority's Statement of Accounts for 2015-16 and is satisfied that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 3.5 Members are asked to note comments made by the Auditor regarding the accounts process and the Authority's financial position following the audit.
- 3.6 The Auditors also completed their work on this Authority's submissions for the Government's Whole of Government Accounts exercise with no significant issues being raised. The Audit has therefore been completed.
- 3.7 There have been no significant issues for the Authority arising from the external auditors' work.

#### **4. Risk Implications**

- 4.1 The work carried out by the auditor assists the Authority in ensuring that arrangements are in place for the conduct of its business and that it safeguards and properly accounts for public money.
- 4.2 Failure to act upon the suggestions made by the auditor may affect the ability of the Authority in ensuring that such arrangements remain in place.

#### **5. HR Implications**

- 5.1 There are no HR implications associated with this report.

#### **6. Environmental Implications**

- 6.1 There are no environmental implications associated with this report.

#### **7. Financial Implications**

- 7.1 There are no financial implications associated with this report.

#### **8. Legal Implications**

- 8.1 It is a requirement of the Code of Practice that the external auditor's Annual Audit Letter in respect of the audit for 2015-16 is brought to the attention of all Members of the Authority. This report and the appendix which is the Auditors letter meets that requirement as it has been circulated to all Members.

## 9. Conclusion

- 9.1 Members are asked to note the findings of the external auditor, as presented at this meeting.

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The background documents to this report are open to inspection in accordance with Section 100D of The Local Government Act 1972 - Nil.