

Audit Committee	
Meeting Date	29 July 2019
Report Title	Annual Financial Report 2018/19 and Audit Findings Report
Cabinet Member	Cllr Roger Truelove, Leader and Cabinet Member for Finance
SMT Lead	Nick Vickers, Chief Financial Officer
Head of Service	Nick Vickers, Chief Financial Officer
Lead Officer	Phil Wilson, Financial Services Manager
Classification	Open
Recommendations	<p>Members are asked to:</p> <ol style="list-style-type: none"> 1. Note the external auditor's Audit Findings Report (Appendix I); 2. Approve the Letter of Representation (Appendix II) on behalf of the Council; 3. Approve the Annual Financial Report for the year ended 31 March 2019 including the Annual Governance Statement (Appendix III); 4. Approve that the Chairman of this Committee signs and dates the Annual Financial Report for the year ended 31 March 2019.

1. Purpose of Report and Executive Summary

- 1.1 This report seeks the Audit Committee's approval of the Council's Annual Financial Report for 2018/19 and includes the external auditor's Audit Findings Report for their consideration.

2. Background

Audit Findings Report

- 2.1 Grant Thornton UK LLP has been the Council's external auditors since 1 September 2012. Their audit of the financial statements began on 1 July 2019.
- 2.2 The Audit Findings Report highlights the key matters arising from the audit of the Council's Annual Financial Report for the year ended 31 March 2019. It is also used to report the audit findings to management and those charged with governance. Grant Thornton are required to report whether the Council's Annual Financial Report presents a true and fair view of the financial position, its expenditure and income for the year and whether they have been properly prepared. They are also required to reach a formal conclusion on whether the Council has put in place proper arrangements to secure value for money.

- 2.3 The Audit Findings Report is Appendix I. Grant Thornton will present this report to the Committee on 29 July and it will be a “to follow” item.

Letter of Representation

- 2.4 The letter sets out assurances from the Council to Grant Thornton that relevant accounting standards have been complied with and gives further assurances that the Council has disclosed information where to withhold it would have undermined the accuracy and reliability of the Annual Financial Report. The letter also covers the responsibilities of the Chief Financial Officer and those of the Council in producing the Annual Financial Report for the Council. Grant Thornton require the Audit Committee to approve the Letter of Representation before they can issue their opinion and conclusion on the Council’s accounts for 2018/19.
- 2.5 The Letter of Representation is Appendix II. Grant Thornton will present this to the Committee on 29 July and it will be a “to follow” item.

Annual Financial Report 2018/19

- 2.6 The Annual Financial Report for the year ended 31 March 2019 is attached as Appendix III. The Chief Financial Officer has signed the accounts to certify that in his view they present a true and fair view of the financial position of the Council.
- 2.7 Under the 2015 Accounts and Audit Regulations, the draft accounts have to be published by 31 May and approved and published by 31 July.

3. Proposals

- 3.1 The Annual Financial Report for the year ended 31 March 2019 is attached as Appendix III. The draft accounts were sent to members of the Committee on 31 May 2019.
- 3.2 The Chief Financial Officer and Financial Services Manager would like to express their thanks to Grant Thornton for their efforts in completing the required audit work in time for reporting to this Committee. As in the past, the Chief Financial Officer and Financial Services Manager will work with the external auditors to review the accounts and to continue to maintain and improve them in the future.

4. Alternative Options

- 4.1 The Annual Financial Report has been prepared in accordance with statutory accounting principles. No other options have been considered as it is a legal requirement that the financial statements are prepared and signed by the person presiding at this meeting no later than 31 July 2019.

5. Consultation Undertaken or Proposed

5.1 Consultation has taken place with Grant Thornton throughout this process.

6. Implications

Issue	Implications
Corporate Plan	Good financial management is key to supporting the Corporate Plan objectives.
Financial, Resource and Property	The External Auditor's opinion is that the Council's accounting statements give a true and fair view of the financial position of the Council as at 31 March 2019 and its income and expenditure for the year then ended.
Legal, Statutory and Procurement	The production of the financial statements is a legal requirement under the 2015 Accounts and Audit regulations.
Crime and Disorder	No direct issues
Environment and Sustainability	No direct issues
Health and Wellbeing	No direct issues
Risk Management and Health and Safety	No direct issues
Equality and Diversity	No direct issues
Privacy and Data Protection	No direct issues

7. Appendices

7.1 The following documents are to be published with this report and form part of the report:

7.1.1 Appendix I: Audit Findings Report

7.1.2 Appendix II: Letter of Representation

7.1.3 Appendix III: Annual Financial Report for the year ended 31 March 2019

8. Background Papers

8.1 Detailed working papers are held in the Finance Department.