

REDDITCH BOROUGH COUNCIL

AUDIT, GOVERNANCE & STANDARDS

30th July 2018

GRANT THORNTON AUDIT FINDINGS REPORT 2017/18

Relevant Portfolio Holder	Councillor Tom Baker-Price
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 APPROVE the Audit Findings Report 2017/18 as attached at Appendix 1.**
- 2.2 **That the Committee APPROVE 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 31st May 2018 a month earlier than previous years and the external audit completed by the 31st July 2018 two months earlier than previous years.
- 3.5 The accounts were submitted to the Auditors within the deadline on 30th May 2018. 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 outstanding material issues or misstatements. Audit testing resulted in one prior year restatement, as per the appendix, for expenditure and income analysed by nature, which was a presentational change and had no impact on the bottom line. There is one outstanding recommendation from the prior year, with regards to the management restructure not having taken place as yet. The main recommendation from this year is that a quality control review takes place prior to account completion.

- 3.6 On completion of the audit, an unqualified opinion has been given on the accounts.
- 3.7 In relation to the Value for Money judgement, having taken into account the financial pressures facing the Council over the next 4 years, a qualified “except for” opinion has been given due to uncertainty around the financial sustainability of the council. Officers will work with the Auditors to ensure that plans to manage this are robust and appropriate.

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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