

REPORT TO	ON
Governance Committee	20 th September 2018

September 2017



TITLE	REPORT OF
External Audit Letter - update	Interim Deputy Chief Executive (Resources and Transformation)

Is this report confidential?	No
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1. PURPOSE OF THE REPORT

This report provides an update on the audit of the financial statements and the VfM conclusion for the financial year 2017/18, as set out in the attached Annual Audit Letter.

2. RECOMMENDATIONS

That the Governance Committee note, review and comment on the report.

3. CORPORATE PRIORITIES

The report relates to the following corporate priorities

Clean, green and safe		Strong and healthy communities	
Strong South Ribble in the heart of prosperous Lancashire		Efficient, effective and exceptional council	√

4. BACKGROUND TO THE REPORT

In July, the Committee received a report of the External Auditor (Grant Thornton) on their audit findings for the authority for the year ending 31 March 2018.

Subsequently an unqualified opinion on the financial statements and the audit certificate were issued on 31 July 2018. On the same date Grant Thornton issued a qualified conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.

The Council's Statement of Accounts, Audit Findings report and Notice of Conclusion of the Audit were published on 31 July 2018 (the statutory deadline).

The Accounts and Audit Regulations 2015 require that, following receipt of the annual audit letter, a committee of the local authority meet to consider the audit letter as soon as reasonably practical. The attached Annual Audit Letter has been issued to the Council and is to be presented at this Governance Committee by the External Auditor. The regulations also require publication of the letter, following consideration by the Committee.

5. DETAILS

The annual report includes a written recommendation under Section 24 of the Local Audit and Accountability Act 2014, in relation to making demonstrable progress on the eight recommendations made in the letter dated 16 March 2018 to the Chief Executive from the Local Government Association (LGA), on 26 July 2018.

In response to this recommendation, on 26th September the full Council will consider a report ('Corporate Peer Challenge Action plan and response to Statutory Recommendation') which recommends that Council accept the recommendation made by the external auditor and provide a formal response in relation to the progress made.

6. WIDER IMPLICATIONS AND BACKGROUND DOCUMENTATION

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

6.1 Comments of the Statutory Finance Officer

The financial implications are contained within the report.

6.2 Comments of the Monitoring Officer

Clearly it is imperative that the council commits itself fully to ensuring that all identified actions are completed at the earliest opportunity.

As a consequence of the Section 24 recommendation referred to, a report on this matter will be considered at full Council on the 26th of September. It is important that all councillors commit themselves to this. Nevertheless it is also important that Governance committee (given its particular function and role) should also have the opportunity to discuss and explore the issues concerned.

Other implications:	
▶ Risk	Failure to comply with the External audit recommendations could lead to reputational damage as well as further action/recommendations from External audit.
▶ Equality & Diversity	There are no implications
▶ HR & Organisational Development	There are no implications
▶ Property & Asset Management	There are no implications
▶ ICT / Technology	There are no implications

7. BACKGROUND DOCUMENTS

Governance Committee July 2018 – Audit Findings Report

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