

**REPORT TO:** **SPECIAL AUDIT AND STANDARDS COMMITTEE**

**DATE:** **5 SEPTEMBER 2018**

**TITLE:** **AUDIT RESULTS REPORT 2017/18 (ISA 260)**

**LEAD OFFICER:** **SIMON FREEMAN, HEAD OF FINANCE  
(01279) 446228**

**RECOMMENDED that the Committee:**

- A** Reviews the Audit Results Report alongside the approval of the Statement of Accounts reported to this same meeting.
- B** Notes the Value for Money assessment of the Council's use of resources as contained within the attached report from the Council's appointed Auditor.

**BACKGROUND**

1. The report attached as Appendix 1 has been prepared by the Council's appointed auditor as required by the Audit Commissions Code of Audit Practice. The audit work is complete other than a final review of the Statement of Accounts by the auditor. The external auditor will update Members at this meeting on the outcome of the audit and any further work to be completed. This is a report to those charged with governance on the work the auditor has carried out during the 2017/18 audit and covers:
  - a) The Council's Financial Statements;
  - b) The Value for Money Assessment;
  - c) The Whole of Government Accounts returns (for which the Council falls below the threshold that would otherwise require detailed audit review); and
  - d) The draft Audit Report.

**ISSUES/PROPOSALS**

**Financial Statements**

2. Despite the earlier deadline of 31 May, high standards continued to be applied in the preparation of the Council's Statement of Accounts for 2017/18. This is reflected in the nature of corrected errors reported, which have primarily been the result of areas of complexity for which the Council relies upon external professionals to provide their judgement.

3. The preparation of working papers, systems and reporting improvements, accounts closure procedures and the readiness of the draft statements have all facilitated the audit work carried out by Ernst & Young to be started promptly.
4. The appointed auditor will update the Committee at its meeting on 5 September 2018 on the final stages of the audit and any matters that require to be drawn to the Committee's attention.

### **Internal Control and Written Representations**

5. The report highlights that there have been no areas of concern identified in the design or operation of internal controls that might result in a material error in the Statement of Accounts. It also confirms that the Auditor is satisfied with the draft Annual Governance Statement, which was approved at the last Committee meeting on 31 July.
6. The appointed auditor has requested a management letter of representation in which the Head of Finance, as the Council's Section 151 Officer, provides information on matters which the auditor does not have sufficient audit evidence. This letter is reported in draft form elsewhere on the Committee's agenda, pending subsequent approval of the final Accounts by this Committee.

### **Value for Money Assessment**

7. The report identifies that, having carried out the assessment of the Council's arrangements to secure Economy, Efficiency and Effectiveness the appointed auditor has concluded that Harlow has secured proper arrangements that reflect sound financial planning in securing its use of resources and an adequate level of reserves.

### **Conclusions**

8. The Audit Results Report summaries the auditor's conclusions in respect of the Statement of Accounts 2017/18. It also confirms that an unqualified opinion will be issued subject to the completion of the final review of the accounts.

### **IMPLICATIONS**

#### **Place (Includes Sustainability)**

None specific.

**Author: Jane Greer, Head of Community Wellbeing on behalf of Graeme Bloomer, Head of Place**

#### **Finance (Includes ICT)**

The Audit Results Report provides important information relating to the Council's statement of accounts and its Value for Money judgement provided by the appointed auditor.

**Author: Simon Freeman, Head of Finance**

**Housing**

None specific.

**Author: Andrew Murray, Head of Housing**

**Community Wellbeing (Includes Equalities and Social Inclusion)**

None specific.

**Author: Jane Greer, Head of Community Wellbeing**

**Governance (Includes HR)**

The report provides independent assessment of the Council's governance arrangements in its assessment of the Annual Governance Statement.

**Author: Colleen O'Boyle, Interim Head of Governance**

**Appendices**

Appendix 1 - Ernst & Young – Draft Audit Results Report IAS 260 for the year ended 31 March 2018

**Background Papers**

None.

**Glossary of terms/abbreviations used**

None.