

REPORT TO: **AUDIT AND STANDARDS COMMITTEE**

DATE: **11 SEPTEMBER 2019**

TITLE: **AUDIT RESULTS REPORT 2018/19 (ISA 260)**

LEAD OFFICER: **SIMON FREEMAN, HEAD OF FINANCE AND
DEPUTY TO THE CHIEF EXECUTIVE
(01279) 446228**

RECOMMENDED that the Committee:

- A** Reviews the Audit Results Report alongside the Statement of Accounts reported to this same meeting and raises any issues and/or concerns with the appointed auditor.
- B** Notes the Value for Money assessment of the Council's use of resources as contained within the report (attached as Appendix A to this report) from the Council's appointed Auditor.

BACKGROUND

1. The report attached as Appendix A has been prepared by the Council's appointed auditor as required by the Audit Commissions Code of Audit Practice. The audit work is not yet complete and the report presented to the meeting highlights the main areas of work still to be finalised. The external auditor will update Members at the meeting on progress against the outstanding items and it is anticipated that they will largely be completed by the time of the meeting. This is a report to those charged with governance on the work the auditor has carried out during the 2018/19 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 2018/19. 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 BDO to be started promptly.
4. The appointed auditor will update the Committee at its meeting on 11 September 2019 on the final stages of the audit and any matters that require to be drawn to the Committee's attention at this stage.
5. A review meeting is planned to take place with the Auditors once all current work has been completed in order to plan and deliver an earlier and and better audit process for 2019/20.

Internal Control and Written Representations

6. 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 is included elsewhere on the agenda for approval.
7. The appointed auditor will in due course request a management letter of representation in which the Head of Finance and Deputy to the Chief Executive, as the Council's Section 151 Officer, provides information on matters which the auditor does not have sufficient audit evidence. This letter will be drafted once the audit is substantially completed and once the delegated approval of the accounts has been achieved subject to the agreement to this delegation which features elsewhere on the committee agenda.

Value for Money Assessment

8. 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

9. The Audit Results Report summaries the auditor's commentary and remaining areas of assurance which they must obtain prior to issuing the audit opinion and enabling the accounts to be approved. It is anticipated that this will be achieved by the end of September and that the audit opinion will be issued towards the end of October.

IMPLICATIONS

Environment and Planning

None specific.

Author: Andrew Bramidge, Head of Environment and Planning

Finance (Includes ICT, and Property and Facilities)

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 and Deputy to the Chief Executive

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: Simon Hill, Head of Governance

Appendices

Appendix A – BDO – Draft Audit Results Report IAS 260 for the year ended 31 March 2019

Background Papers

None.

Glossary of terms/abbreviations used

None.