



## **REPORT of DIRECTOR OF RESOURCES**

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**to  
AUDIT COMMITTEE  
7 DECEMBER 2017**

### **EXTERNAL AUDIT - ANNUAL AUDIT LETTER 2016 / 17**

#### **1. PURPOSE OF THE REPORT**

- 1.1 To present the External Auditor's Annual Audit Letter 2016 / 17 (attached at **APPENDIX 1** to this report).

#### **2. RECOMMENDATION**

That the External Audit Annual Audit Letter 2016 / 17 (**APPENDIX 1**), be received.

#### **3. SUMMARY OF KEY ISSUES**

- 3.1 This report is for Members' information only.
- 3.2 The External Auditor's Annual Audit Letter for 2016 / 17 is attached at **APPENDIX 1**.
- 3.3 The Annual Audit Letter (AAL) summarises the key issues arising from the work carried out by the external auditor for the Council for 2016 / 17 and communicates the significant issues to Members, key stakeholders and members of the public. The work was carried out in accordance with the National Audit Office's (NAO) 2015 Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the NAO.
- 3.4 The AAL identifies the key findings of the External Auditor (Ernst & Young LLP) in respect of:
- Financial Statements;
  - Consistency of Governance Statement;
  - Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA); and
- 3.5 **Financial Statements**
- An unqualified true and fair opinion was issued on the Financial Statements for the year ended 31 March 2017.
  - No material misstatements were identified during the audit.

### 3.6 **Consistency of Governance Statement**

- The Governance Statement was consistent with our understanding of the Council.

### 3.7 **Reporting to the National Audit Office (NAO) on our review of the Council's Whole of Government Accounts return (WGA Other Matters)**

- No audit procedures on the consolidation pack were performed as the Council is below the specified audit threshold of £350 million.

## 4. **CONCLUSION**

4.1 The work of the external auditor provides independent audit and assurance to Members of the Council, public and stakeholders on the Council's financial position and its arrangements to secure value for money in its operations on an annual basis.

4.2 The external audit of the Council is a statutory requirement under the Local Audit and Accountability Act 2014.

## 5. **IMPACT ON CORPORATE GOALS**

5.1 The work undertaken by Ernst & Young LLP in accordance with the NAO's Code of Audit Practice 2015, International Standards on Auditing (UK and Ireland) and other guidance issued by the NAO, is targeted to areas where the work will have greatest effect based on an assessment of risk and performance to focus on the specific financial and operational risks the Council faces as well as meeting the Code, and is therefore designed to ensure that resources are directed towards the achievement of Council objectives. The report links to the Maldon District Council goal of 'Delivering good quality, cost effective and valued services'.

## 6. **IMPLICATIONS**

- (i) **Impact on Customers** – None identified.
- (ii) **Impact on Equalities** – None identified.
- (iii) **Impact on risk** – None identified.
- (iv) **Impact on Resources (financial)** – None identified.
- (v) **Impact on Resources (human)** – None identified.
- (vi) **Impact on the Environment** – None identified.

Background Papers: None.

Enquiries to: Emma Foy, Director of Resources, (Tel: 01621 875762).