



AUDIT AND GOVERNANCE COMMITTEE

Tuesday, 24 July 2018

AUDIT RESULTS REPORT (AG 09/18)

EXECUTIVE SUMMARY

1. The Comptroller and Auditor General's Code of Audit Practice requires Ernst and Young LLP (EY) to report to this Committee on the work they have carried out to discharge their statutory audit responsibilities together with any governance issues identified.
2. EY expect to issue an unqualified audit opinion and conclude that the Council have made appropriate arrangements to secure economy, efficiency and effectiveness in our use of resources.
3. No significant issues have been identified to date, but the audit is still in progress.
4. EY are proposing to charge the Council an additional £6,120 in relation to the items detailed within Section 6 of Appendix A, under the subheading of Other Matters.

Is the report Open or Exempt?	Open
-------------------------------	------

Wards Affected:	All Wards in the District
------------------------	---------------------------

Cabinet Member:	Councillor Stuart Lawson Cabinet Member with Responsibility for Resources
------------------------	--

Supporting Officer:	Homira Javadi Chief Finance Officer 01394 444529 homira.javadi@eastsoffolk.gov.uk
----------------------------	--

1 INTRODUCTION

- 1.1 The Audit Results Report (Appendix A) produced by our External Auditor, EY, summarises the findings from the 2017/18 audit which is substantially complete. The report includes the messages arising from the audit of the financial statements and the results of the work they have undertaken to assess our arrangements to secure value for money in our use of resources.

2 FINDINGS FROM THE AUDIT

- 2.1 EY expect to issue an unqualified audit opinion and conclude that the Council have made appropriate arrangements to secure economy, efficiency and effectiveness in our use of resources.
- 2.2 The audit has identified a limited number of material errors which have all been amended by officers. EY does not consider any of those errors identified to be significant. These are detailed within Section 4 of Appendix A.
- 2.3 EY states within Section 7 of Appendix A that they have not identified any significant weaknesses in the design or operation of the Council's internal controls that might result in a material error within the financial statements.
- 2.4 Regarding Value for Money, EY have judged within Section 5 of Appendix A that they have not identified any significant issues with the plans in place to meet the medium term savings gaps identified and were able to corroborate managements response to the significant weaknesses raised by the Head of Internal Audit on Asset and Contract Management with their audit work and knowledge of the Council, judging no additional findings were required to be reported in relation to Value for Money.

3 HOW DOES THIS RELATE TO EAST SUFFOLK BUSINESS PLAN?

- 3.1 The Audit Results Report is a statutory requirement by the Local Audit and Accountability Act 2014. The Audit Results Report does not link directly to the Vision of the Business Plan, but through securing external assurance over the Council's governance, financial statements and value for money, this will help to achieve the critical success factors and planned actions set out in the Business Plan.

4 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 4.1 There have been a limited number of material issues raised from the audit and none of these have an impact on the financial position of the Council.
- 4.2 The Council has been charged an additional £6,120 by EY to address the issues detailed within Section 6 of Appendix A, under the sub heading of Other Matters.
- 4.3 Management are required each year to provide EY with a Letter of Representation and this can be found at Appendix B.

5 OTHER KEY ISSUES

- 5.1 No other key issues were identified.

6 CONSULTATION

- 6.1 No consultation is required.

7 OTHER OPTIONS CONSIDERED

7.1 No other options have been considered.

8 REASON FOR RECOMMENDATION

8.1 The consideration of the External Auditors report is a statutory requirement under the Local Audit and Accountability Act 2014.

RECOMMENDATIONS

That the Committee notes the findings within the External Auditors report and the content of the Letter of Representation.

APPENDICES

Appendix A	Audit Results Report
Appendix B	Letter of Representation from Management

BACKGROUND PAPERS

Date	Type	Available From
24 July 2018	Audited Statement of Accounts 2017/18	24 July 2018 Audit and Governance Committee Agenda http://apps.eastsuffolk.gov.uk/committeeminutes/