

**REPORT FOR: GOVERNANCE, AUDIT,
RISK MANAGEMENT AND
STANDARDS COMMITTEE**

Date of Meeting: 6 December 2016

Subject: INFORMATION REPORT
Annual Audit Letter 2015/16

Responsible Officer: Dawn Calvert, Director of Finance

Exempt: No

Wards affected: All

Enclosures: Annual Audit Letter 2015/16

Section 1 – Summary and Recommendations

This report provides the Committee with an opportunity to consider the Annual Audit Letter from the Council's external auditors

Recommendation

The Committee is requested to note this report containing the Annual Audit Letter

Reason

The Accounts and Audit (England) Regulations 2015 requires the Committee to consider the Annual Audit Letter

Section 2 – Report

Background

- 1 The Council's External Auditors (KPMG LLP) have now completed their first audit of the Statement of Accounts following their appointment to succeed Deloitte's LLP as external auditors. The appointed auditor writes to the Council on an annual basis through an Audit Letter summarising the important findings from their audit work.
- 2 The 2015/16 Annual Audit Letter is attached as an appendix to this report and covers the following matters:
 - The headlines – a summary of Value For Money (VFM); the Audit Opinion; the Financial Statements and related matters; the high priority recommendations; the Pension Fund audit; Whole of Government Accounts (WGA); the certificate, and the audit fees
 - Appendix 1 : Key issues and recommendations
 - Appendix 2: Summary of reports issued
 - Appendix 3 : Audit Fees
- 3 The key conclusions emerging from the Auditor's work were:
 - The Council received an unqualified audit opinion and value for money conclusion.
 - The recommendations referred to on page 4 of the Annual Audit Letter were considered by this Committee at its meeting in September 2016 and where accepted these are being implemented during the current financial year 2016/17.
 - The Council had continued to demonstrate strong financial resilience and has robust controls over financial planning and budget monitoring to ensure that it did not require the use of its general fund reserves during the year.

Financial Implications

- 4 There are no direct financial implications arising from this report.

Risk Management Implications

- 5 The risks of not implementing the recommendations are not included in the corporate risk register. However the review of such recommendations is included as a separate task within the closure of accounts timetable for officers to ensure action has been taken. The external auditors (KPMG) will as part of their audit work, check that the Council has implemented the accepted recommendations from the previous years annual audit letter.

Equalities implications

- 6 There are no equalities implications.

Council Priorities

- 7 The Annual Audit Letter provides assurance that the Council has managed its finances and delivered value for money in accordance with Council's corporate vision and priorities.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert



Chief Financial Officer

Date: 23rd November 2016

Ward Councillors notified:

n/a

Section 4 - Contact Details and Background Papers

Contact: Paul Gower (Interim Technical Accounting Manager) Tel: 020-8424-1335 /
Email: paul.gower@harrow.gov.uk

Background Papers:

http://www.harrow.gov.uk/download/downloads/id/9078/kpmg_annual_audit_letter_2015-16