

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

---

**Date of Meeting:** 6 December 2017

**Subject:** INFORMATION REPORT  
Annual Audit Letter 2016/17

**Responsible Officer:** Dawn Calvert, Director of Finance

**Exempt:** No

**Wards affected:** All

**Enclosures:** Annual Audit Letter 2016/17

**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 the audit of the Statement of Accounts 2016/17. 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 2016/17 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) conclusion and risk areas; the Audit Opinion; the Financial Statements audit; other information accompanying the financial statements; the Pension Fund audit; Whole of Government Accounts (WGA); the certificate, and the audit fees
  - Appendix 1: Summary of reports issued
  - Appendix 2 : 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 four recommendations referred to on page 4 of the Annual Audit Letter were considered by this Committee at it's meeting in September 2017 with one already implemented and the other three being worked upon during the second half of this financial year.
  - The Council still needs to generate savings, but also has additional demand led spending in Children's and Adults Services putting increased pressure on achieving a breakeven position. The Auditors recognise the additional controls that the Authority has put in place to mitigate these overspends and through discussions with the Director of Finance and Chief Executive recognise that tight control is being put on spending and savings.

### **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: 22nd November 2017

**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/10450/annual\\_audit\\_letter\\_2016\\_17](http://www.harrow.gov.uk/download/downloads/id/10450/annual_audit_letter_2016_17)