

9. **EXTERNAL AUDIT (Mazars): 2018/19 ANNUAL AUDIT LETTER (A1362/ DH)**

Purpose of the report

1. This report asks Members to consider the External Auditor's 2018/19 Annual Audit Letter.

Key issues

2. Key issues include:
- The Annual Audit Letter provides a summary of the results of the external audit for 2018/19

Recommendations

3. **1. That the 2018/19 Annual Audit Letter be considered and acknowledged**

How does this contribute to our policies and legal obligations?

4. The work of the external auditors is a key part of our governance arrangements, helping us to monitor and improve performance to ensure the Authority has a solid foundation. In respect of the outgoing Corporate Strategy, this is supporting achievement of our four cornerstones and four directional shifts, and looking forwards, supporting achievement of the Strategic Interventions in the 2019-2024 Corporate Strategy - that we are financially resilient and provide Value for Money, and are well managed to achieve our objectives and enhance our performance.

Achieving an unqualified opinion on the financial statements and satisfying the Auditor that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources are corporate performance indicators.

Background

5. The duties and powers of auditors are set out in the Local Audit and Accountability Act 2014, the Local Government Act 1999, the Statement of Responsibilities of Auditors and Audited Bodies and the Code of Audit Practice. The Authority meeting considers the Auditor's annual letter as part of its work programme.

Proposals

6. The full Letter for consideration is given at Appendix 1.

Are there any corporate implications members should be concerned about?

7. **Financial:** The fees of £10,209 for external audit are funded from the existing Finance Service budget. There is a proposed additional fee of £750 in relation to the work associated with the GMP/McCloud pension liability issue and a further additional fee of £750 in relation to work undertaken in relation to a letter received from a member of the public; these are yet to be approved by Public Sector Audit Appointments Ltd.
8. **Risk Management:**
The scrutiny and advice provided by external audit is part of our governance framework. The Auditor's work is based on an assessment of audit risk.

9. **Sustainability:**
There are no issues to highlight

10. **Background papers** (not previously published) – None

Appendices-

Appendix 1: External Audit: 2018/19 Annual Audit Letter

Report Author, Job Title and Publication Date

David Hickman, Director of Corporate Strategy and Development, 24 October 2019