

REPORT TITLE: ANNUAL AUDIT LETTER 2017/18

29 NOVEMBER 2018

REPORT OF PORTFOLIO HOLDER: CLLR ASHTON – PORTFOLIO HOLDER FOR FINANCE

Contact Officer: Liz Keys Tel No: 01962 848 226 Email: lkeys@winchester.gov.uk

WARD(S): ALL

PURPOSE

The purpose of the Annual Audit Letter (AAL) is to communicate the key issues arising from the external auditors' work to all Councillors and external stakeholders, including members of the public.

The Council's external auditor's Ernst and Young LLP (EY) have now presented the AAL for 2017/18, which is appended to this report. It confirms that EY were able to give an unqualified audit opinion on the financial statements and that the Council has put in place proper arrangements to secure value for money in the use of resources.

The receipt of the AAL marks the conclusion of the external audit work in relation to the 2017/18 financial year. The letter has been discussed with officers and is published on the Council's website.

RECOMMENDATIONS:

1. That the Committee:
 - i. Takes the opportunity to discuss the contents of the Annual Audit Letter 2017/18 and raises any issues with the External Auditors; and
 - ii. Confirms its acceptance of the Annual Audit Letter 2017/18

IMPLICATIONS:1 COUNCIL STRATEGY OUTCOME

- 1.1 The findings from external audit reviews contribute to the corporate governance arrangements of Winchester City Council, which in turn supports the achievement of the outcomes and objectives of the Council Strategy.

2 FINANCIAL IMPLICATIONS

- 2.1 The final fee for the external audit work on the financial statements and the value for money conclusion is £56,336, in line with the scale fee set by Public Sector Audit Appointments (PSAA). However, EY are proposing an additional £779 charge for work they undertook on the restatement of the Comprehensive Income and Expenditure Statement. This scale fee variation is yet to be agreed by PSAA (who make decisions on the reasonableness of all fee variations based on whether it considers that substantially more work was required than envisaged by the scale fee).

3 LEGAL AND PROCUREMENT IMPLICATIONS

- 3.1 None.

4 WORKFORCE IMPLICATIONS

- 4.1 None.

5 PROPERTY AND ASSET IMPLICATIONS

- 5.1 None.

6 CONSULTATION AND COMMUNICATION

- 6.1 None.

7 ENVIRONMENTAL CONSIDERATIONS

- 7.1 None.

8 EQUALITY IMPACT ASSESSEMENT

- 8.1 None.

9 DATA PROTECTION IMPACT ASSESSMENT

- 9.1 None.

10 RISK MANAGEMENT

- 10.1 None

11 SUPPORTING INFORMATION:

11.1 None

12 OTHER OPTIONS CONSIDERED AND REJECTED

12.1 None.

BACKGROUND DOCUMENTS:-

Previous Committee Reports:-

[AUD217](#) – Audit Results Report for the year ended 31 March 2018

Other Background Documents:-

None.

APPENDICES:

Appendix 1 – Annual Audit Letter 2017/18