

Agenda item 5

AGS/44/19	
Report title: Annual Audit Letter for year ending 31 March 2019	
Report to: Audit, Governance and Standards Committee	
Report author: Nicole Wood, Executive Director, Finance and Technology	
Date of meeting: 16 September 2019	For: Noting
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Divisions affected: All Essex	

1. Purpose of report

- 1.1 The purpose of this report is to present the External Auditor's Annual Audit Letter for the year ending 31 March 2019 to the Committee.

2. Recommendations

- 2.1 That the report be noted.

3. Background and proposals

- 3.1 The detailed findings from the audit work performed by BDO LLP in relation to the audit of accounts for the year ending 31 March 2019 were reported to the Committee on 29 July 2019 (when the Committee approved the 2018/19 Statement of Accounts).
- 3.2 The purpose of BDO LLP's Annual Audit Letter (as appended) is to communicate the key issues arising from their audit work for 2018/19 to Members, and to other key stakeholders.
- 3.3 The Annual Audit Letter summarises the conclusions from the external audit work related to 2018/19, including that:
- i. **Unmodified opinions** were issued in relation to the Council's financial statements and those of the Essex Pension Fund, meaning that BDO consider that the financial statements:
 - Gave a true and fair view of the financial position of the Council and the Essex Pension Fund as at 31 March 2019, and of the expenditure and income for the year then ended; and
 - Were properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting 2018/19.

- ii. An **unmodified conclusion** was issued on the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources, which means that BDO consider that in all significant respects, the Council had proper arrangements in place to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people.

- 3.4 At the time of writing this report, BDO had not yet issued the Audit Certificate for 2018/19, as work to review the Council's Whole of Government Accounts (WGA) return for 2018/19 was ongoing. The review of the Council's WGA return is being completed in accordance with the timetable set by HM Treasury, and it is anticipated that the work will be completed by the submission deadline of **13 September 2019**.

4. Policy context and Outcomes Framework

- 4.1 The Annual Audit Letter communicates the key matters related to the audit of the Council's Statement of Accounts for 2018/19. As such, this report relates to the Council's financial health and financial standing rather than to specific policies or outcomes.

5. Financial Implications

- 5.1 There are no specific financial implications associated with this report.

6. Legal Implications

- 6.1 The Committee is required to consider the annual audit letter and may make recommendations if it so wishes.

7. Staffing and other resource implications

- 7.1 There are no staffing or other resource implications associated with this report.

8. Equality and Diversity implications

- 8.1 There are no equality and diversity or other resource implications associated with this report.

9. List of appendices

- 9.1 **Appendix A** – Annual Audit Letter for the year ending 31 March 2019.

10. List of Background Papers

10.1 None.