



## Audit and Standards Advisory

### Committee

10 July 2019

### Report from the Director of Finance

## Statement of Accounts 2018/19 and External Auditor's Report

<b>Wards Affected:</b>	ALL
<b>Key or Non-Key Decision:</b>	KEY
<b>Open or Part/Fully Exempt:</b> (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	OPEN
<b>No. of Appendices:</b>	1. ISA 260 2. Letter of Representation
<b>Background Papers:</b>	
<b>Contact Officer(s):</b> (Name, Title, Contact Details)	Minesh Patel, Director of Finance 020 8937 4043, <a href="mailto:Minesh.Patel@brent.gov.uk">Minesh.Patel@brent.gov.uk</a>  Ben Ainsworth, Head of Finance 020 8937 1731, <a href="mailto:Benjamin.Ainsworth@brent.gov.uk">Benjamin.Ainsworth@brent.gov.uk</a>

### Summary

- 1.1 The Audit Committee has responsibility for considering issues raised by the external auditors as part of the process of approving the annual statement of accounts. The basis for this consideration is the "report to those charged with governance" also referred to as the ISA260 report. The Council's external auditors, Grant Thornton, produce the report following completion of the audit of accounts. The report is intended to identify any changes to the accounts, unadjusted mis-statements or material weaknesses in controls identified during the audit work. It also provides the findings from the value for money conclusion for the year.
- 1.2 At the time of writing this report Grant Thornton are in the process of completing the audit of the 2018/19 accounts and their ISA260 report, reflecting the current position, will follow and become Appendix 1 to this report. Based on the current

position Grant Thornton intends to give unqualified opinions on the Council and Pension Fund accounts and a clear value for money conclusion.

- 1.3 Representatives from Grant Thornton will attend the meeting to provide an update on the audit and respond to any matters raised by the Committee.

## **2.0 Recommendations**

- 2.1 The Committee is asked to:

Review the report to those charged with Governance from Grant Thornton and:

- consider the key issues and recommendations;
- consider the corrected audit differences;
- approve the statement of accounts; and
- approve the letter of representation to Grant Thornton

## **3.0 Detail**

### **Statement of Accounts**

- 3.1 The draft statement of accounts for 2018/19 was published on the council's website on the 24<sup>th</sup> May, a week before the deadline required by statutory regulation. This timescale is a week earlier than last year and has required the council to both shorten its processes and make more use of estimation to produce the accounts on time.
- 3.2 The audit of the accounts commenced in June, and needs to be completed by the 31<sup>st</sup> July. At the time of writing, the plan is that the audit fieldwork will be substantially complete on onsite on 5 July. The auditors will then complete closing procedures and final reviews with a view to sign off the audit soon after Audit Advisory Committee meeting on 10 July.
- 3.3 The attached ISA260 report sets out the anticipated results of the audit with the following key points being:
  - Unqualified audit opinion;
  - the Authority has made proper arrangements to secure economy; and efficiency and effectiveness in its use of resources.
- 3.4 As a result of the audit a number of adjustments to the accounts have been agreed by council officers and Grant Thornton. These are shown in section X of the auditor's report.
- 3.5 As might be expected in the first year of an accelerated timetable to close the accounts, there are a number of recommendations from Grant Thornton for how the process can be improved in future years. Officers will be putting these recommendations into effect with a revised plan for closing the 2018/19 accounts.

## **Publication of Statement of Accounts**

- 3.6 The Council is required to publish the 2018/19 accounts by 31 July 2018. Once approved, the statement of accounts will be published on the Council's website.
- 3.7 Once the audit has been completed a Letter of Representation needs to be signed prior to Grant Thornton issuing an audit opinion. A draft letter, setting out confirmation from the Council regarding the financial statements and information provided as part of the audit process, is attached as Appendix 2.

## **4.0 Financial Implications**

- 4.1 There have been some adjustments to the Statement of Accounts during the course of the audit. None of these have impacted on the medium term financial position of the Council.

## **5.0 Legal Implications**

- 5.1 No specific implications.

## **6.0 Equality Implications**

- 6.1 No specific implications.

## **7.0 Consultation with Ward Members and Stakeholders**

- 7.1 Not applicable.

## **8.0 Human Resources**

- 8.1 Not applicable

**Report sign off:**

***Minesh Patel***  
Director of Finance