

Non-Executive Report of the:  <b>Audit Committee</b>  16th November 2017	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Zena Cooke – Corporate Director of Resources	<b>Classification:</b> Unrestricted
<b>Annual Audit Letter 2015-16 and 2016-17</b>	

<b>Originating Officer(s)</b>	Kevin Miles –Chief Accountant
<b>Wards affected</b>	All

### Summary

This report presents the final Annual Audit Letter from the council's auditors, KPMG, for 2015-16 and 2016-17. Draft versions of these letters were brought before Audit Committee in September 2017.

### Reason for Urgency

It is a requirement of the Accounts and Audit Regulations 2015 (s20) for a committee to consider and approve the Annual Audit letter as soon as practically possible after its completion, and then to publish it on the website and make it available for interested parties.

This was received in early November and whilst it missed the publication deadline for the November committee, we have elected to add it to the Audit Committee agenda urgently to meet the statutory publication guidance.

### Recommendations:

The Audit Committee is recommended to:

1. Consider and Approve the Annual Audit Letters 2015-16 and 2016-17

## **1. REASONS FOR THE DECISIONS**

- 1.1. It is requirement of S20 of the Accounting and Audit Guidelines that the Annual Audit Letter be considered and approved by committee. Although this could be approved by another committee of the council, we have sought to add it to the Audit Committee agenda for the sake of consistency as this committee reviewed the draft document.

## **2. ALTERNATIVE OPTIONS**

- 2.1. None.

## **3. DETAILS OF REPORT**

### **3.1. Background**

- 3.1.1. The Annual Audit Letter (AAL) is produced by the Council's auditors, KPMG. It marks the completion of the audit of the financial statements, and gives details of their findings, including

- Audit opinion
- Recommendations
- Management representations
- Audit fee

- 3.1.2. This report covers the Annual Audit Letters for 2015-16 and 2016-17. Drafts of these reports were presented by Mr Andrew Sayers – Partner, KPMG at Audit Committee on 28<sup>th</sup> September 2017, along with the audited financial statements for both years.

The final version of the letters are very similar to the draft versions, with only slight wording and cosmetic changes. There are no new issues to bring to the attention of the Committee.

## **4. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 4.1 The Chief Finance Officer has been consulted in the preparation of this report and has no additional comments to make.

## **5. LEGAL COMMENTS**

- 5.1. The Council is required to prepare a statement of accounts in accordance with the Accounts and Audit Regulations 2015. This specifies a procedure for signing, approval and publication of a statement of accounts. The chief finance officer is required to sign and date the statement of accounts by 30 June each year, certifying that it presents a true and fair view of the Council's financial position at the end of the relevant financial year and of the Council's income and

expenditure for the year. The Audit Committee must approve the statement of accounts by 30 September each year and the statement must be signed by the chair of the meeting at which the accounts were approved. Upon receipt of the Annual Audit Letter the council must approve, publish and make available copies of the letter to interested parties.

## **6. ONE TOWER HAMLETS CONSIDERATIONS**

6.1 There are no 'One Tower Hamlets' considerations contained in this report.

## **7. BEST VALUE (BV) IMPLICATIONS**

7.1 The report contains reference to the achievement of Best Value by the Council in the year. The main concerns centre around the payment of a small number of grants where property leases with the funded organisations were not in place.

## **8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT**

8.1 There are no actions contained in this report impacting on the 'Greener Environment' agenda.

## **9. RISK MANAGEMENT IMPLICATIONS**

9.1 Failure to observe the review and publication of these documents would contravene the Accounts and Audit Act 2015.

## **10. CRIME AND DISORDER REDUCTION IMPLICATIONS**

10.1 There are no 'Crime and Disorder' implications contained within this report.

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### **Linked Reports, Appendices and Background Documents**

#### **Linked Report**

- None

#### **Appendices**

- Annual Audit Letter 2015-16
- Annual Audit Letter 2016-17

#### **Officer contact details for documents:**

- Brian Snary – Financial Accountant ext. 5323