



Audit & Governance Committee

26 September 2019

ANNUAL AUDIT LETTER 2018/19

Purpose of the report:

The Council's external auditors, Grant Thornton, are presenting their Annual Audit Letter in respect of the audit year 2018/19 (Annex 1). This report summarises the key messages and findings arising from the work carried out at the Council for the year ended 31 March 2019.

Recommendations:

The Audit & Governance Committee is asked to note the contents of the Annual Audit Letter (Annex 1).

Introduction:

1. The Annual Audit Letter summarises the key findings arising from the work carried out by Grant Thornton for the year ended 31 March 2019.
2. The Annual Audit Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public.
3. A more detailed report outlining the detailed findings from the audit work completed on the financial statements, to those charged with governance was included in the Audit Findings Report which was shared with this Committee on 29 July 2019.

Conclusions:

4. The Annual Audit Letter of the external auditors is attached at Annex 1 for consideration by this Committee.
5. The report confirms that in respect of the audit of the Surrey County Council 2018/19 financial statements:
 - Grant Thornton issued an unqualified opinion on the Council's accounts and the group accounts on 31 July 2019, in line with the national deadline.
 - The Council made the accounts available for audit in line with the agreed timetable, and provided a good set of working papers to support them.

6. The report confirms that Grant Thornton has issued an adverse 2018/19 value for money conclusion due to :
 - weaknesses in the resilience of the council finances, and
 - the results of Ofsted reports into children’s services.

7. The report confirms that in respect of the audit of the Surrey Pension Fund financial statements:
 - Grant Thornton issued an unqualified opinion on the Pension Fund financial statements on 31 July 2019, in line with the national deadline.

8. The report also confirms that Grant Thornton cannot:
 - provide an opinion on the consistency of the pension fund financial statements of the Authority included in the Pension Fund Annual Report until the Annual Report is complete. The deadline for this is 1 December 2019
 - formally conclude the audit and issue an audit certificate in until work is completed on the Whole of Government Accounts (WGA) Component Assurance statement for the Authority for the year ended 31 March 2019.

Financial and value for money implications

9. There are no direct financial and value for money implications of this report.

Equalities and Diversity Implications

10. There are no direct equalities implications of this report.

Risk Management Implications

11. There are no direct risk management implications of this report.

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