



# **Audit and Governance Committee**

## **24 March 2020**

### **Annual Audit Letters for 2018-19 Accounts**

#### **For Decision**

**Portfolio Holder:** Cllr T Ferrari, Finance, Commercial and Assets

**Local Councillor(s):** Cllr

**Executive Director:** Aidan Dunn, Executive Director, Corporate Development

Report Author: Richard Ironside

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**Report Status:** Public

**Recommendation:** Councillors are asked to consider the Deloitte external auditor annual audit letters in relation to the 2018-19 accounts for the predecessor sovereign authorities of Dorset Council.

**Reason for Recommendation:** As part of the process to complete audit of the accounts, the Council is required to provide a copy of the annual audit letter to Councillors, and the Audit and Governance Committee is the route for doing this.

#### **1. Executive Summary**

The purpose of this report is to complete the audit process for 2018-19 accounts following receipt of the annual audit letters.

The external audits have been completed for the predecessor sovereign authorities of Dorset Council. Public notices for completion of those audits have been published on each web site for those councils, and explain that a local government elector for the area can view and make copies of the statement of accounts and the annual audit letter prepared for the council by the auditor. The

annual audit letters are published on the Public Sector Audit Appointments Ltd (PSAA) web site as well as on the council's web sites.

The annual audit letters contain key matters arising from the audit work, have been discussed and agreed with Dorset Council, and are attached as appendices to this report. The annual audit letters provide a clear, readily understandable commentary on the results of the auditor's work, and highlight any issues that the auditor wishes to draw to the attention of the public, including the following areas:

- Statement of accounts - audit opinion
- Value for Money (VfM) - conclusion
- Annual Governance Statement – disclosure of governance matters
- Whole of Government Accounts – review for consistency with accounts
- Financial reporting systems – internal control

The ISA260 reports produced by the auditors for those charged with governance were taken to Audit and Governance Committee in July 2019, and cover similar information as for the annual audit letters but in greater detail for example in respect of audit findings, recommendations and adjustments to the accounts arising from those findings. The accounts for Dorset County Council, East Dorset District Council and Purbeck District Council were agreed at that meeting. The audit of accounts for Dorset Councils Partnership (DCP) was ongoing at that time, for North Dorset District Council, West Dorset District Council and Weymouth & Portland Council, and those accounts were subsequently approved through the delegated responsibility arrangements in December 2019.

Other relevant documents produced by the auditors include:

- audit opinion - on whether the accounts present a true and fair view, and the basis for that opinion (included in the published accounts)
- audit certificate - for completion of audit (included in the audit opinion for DCP)

Councillors are asked to review the annual audit letters attached as appendices to this report, with the opportunity for discussion of matters arising being provided at this Audit and Governance Committee meeting.

## **2. Financial Implications**

There are not any financial implications arising from this report.

## **3. Climate implications**

None.

## **4. Other Implications**

None.

## **5. Risk Assessment**

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: Low

Residual Risk: Low

## **6. Equalities Impact Assessment**

This report does not deal with any new strategies or policies that would trigger an impact assessment.

## **7. Appendices**

Deloitte external auditor 2018-19 annual audit letters for the predecessor sovereign authorities to Dorset Council:

-Dorset County Council

-East Dorset District Council

-Purbeck District Council

-North Dorset District Council

-West Dorset District Council

-Weymouth & Portland Borough Council

## **8. Background Papers**

None

### **Footnote:**

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.