

# North Tyneside Council Report to Council 23 November 2017

## ITEM 6 2016/17 Annual Audit Letter

<b>Portfolio(s):</b> Elected Mayor  Finance and Resources	<b>Cabinet Member(s):</b> Norma Redfearn  Councillor Ray Glendon
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**Report from:** Finance

**Responsible Officer:** Janice Gillespie, Head of Finance      Tel 6435701

**Wards affected:** All

### **PART 1**

#### **1.1 Executive Summary:**

- 1.1.1 The purpose of the report is to present to Council the Annual Audit Letter (“the Letter”) from the Authority’s appointed auditors, Mazars.
- 1.1.2 The Letter summarises many of the points raised in the Audit Completion Report which was presented to Council on 28 September 2017 and the Audit Committee on 27 September 2017.
- 1.1.3 The Letter will be presented by Mazars at Council on 23 November 2017.

#### **1.2 Recommendation(s):**

It is recommended that Council notes the contents of the Annual Audit Letter.

#### **1.3 Forward plan:**

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 31 July 2017.

#### 1.4 Council plan and policy framework:

The Annual Audit Letter covers all the service responsibilities as identified within the Our North Tyneside Plan.

#### 1.5 Information:

1.5.1 The full Letter is attached as **Appendix A** to this report. The letter covers the period 1 April 2016 to 31 March 2017.

1.5.2 The Letter covers:

- The overall conclusion in respect of the Authority's Financial Statements which includes the annual governance statement;
- The assessment of arrangements to achieve value for money in the Authority's use of resources;
- Future challenges facing the Authority; and,
- Fees payable to Mazars for 2016/17.

1.5.3 Mazars issued an **unqualified opinion** on the Authority's accounts for 2016/17. In this context unqualified means that the Auditor was satisfied with the quality of the Authority's accounts which is a positive outcome for the Authority.

1.5.4 The Audit Completion Report presented to Council on 28 September 2017 and to the Audit Committee on 27 September 2017 includes more detailed information in respect of the findings of the audit of the 2016/17 Annual Financial Report.

1.5.5 Mazars issued an **unqualified Value for Money conclusion**, confirming that the Authority had adequate arrangements in place for securing economy, efficiency and effectiveness in its use of resources.

#### 1.6 Decision options:

Council is recommended to note the contents of the Annual Audit Letter. Alternatively it could request further information.

#### 1.7 Reasons for recommended option:

Under the Authority's Constitution, it is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, that it safeguards and properly accounts for public money and that proper arrangements are in place to secure value for money. The Accounts and Audit Regulations 2015 require a meeting of the Council to receive, consider and publish the Annual Audit Letter received from the external auditor.

## **1.8 Appendices:**

Appendix A: Annual Audit Letter 2016/17

## **1.9 Contact officers:**

Janice Gillespie, Head of Finance, Tel 643 5701  
Cathy Davison, Principal Accountant, Tel 643 5727

## **1.10 Background information:**

The following background papers and research reports have been used in the compilation of this report and are available for inspection at the offices of the author:

- (a) 2016/17 Audit Completion report  
[http://www.northtyneside.gov.uk/browse-display.shtml?p\\_ID=569859&p\\_subjectCategory=40](http://www.northtyneside.gov.uk/browse-display.shtml?p_ID=569859&p_subjectCategory=40)

# **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

## **2.1 Finance and other resources**

There are no financial implications arising from this report. Where any of the individual actions require financing, this will be reported separately to Cabinet and /or Council as appropriate.

## **2.2 Legal**

The Accounts and Audit Regulations 2015 require a meeting of the Council to receive, consider and publish the Annual Audit Letter received from the external auditor.

## **2.3 Consultation/community engagement**

2.3.1 Internal Consultation has taken place with the Mayor, the Cabinet Member for Finance and Resources, the Senior Leadership Team and relevant officers of the Council.

2.3.2 External Consultation/engagement has taken place with Mazars.

## **2.4 Human rights**

The proposals within this report do not have direct implications in respect of the Human Rights Act 1998.

## **2.5 Equalities and diversity**

There are direct no equalities and diversity implications arising from this report.

## **2.6 Risk management**

Potential future financial pressures against the Authority are covered in this report and registered through the Authority's risk management process.

## **2.7 Crime and disorder**

There are no direct crime and disorder implications arising from this report.

## **2.8 Environment and sustainability**

There are no direct environmental and sustainability implications arising from this report.

## **PART 3 - SIGN OFF**

- Deputy Chief Executive ☒
- Head of Service ☒
- Mayor/Cabinet Member(s) ☒
- Chief Finance Officer ☒
- Monitoring Officer ☒
- Head of Corporate Strategy ☒