

# Performance and Audit Scrutiny Committee



Forest Heath  
District Council

<b>Title of Report:</b>	<b>Ernst and Young Presentation of Annual Audit Letter 2016/17</b>	
<b>Report No:</b>	<b>PAS/FH/17/036</b>	
<b>Report to and dates:</b>	<b>Performance and Audit Scrutiny Committee</b>	29 November 2017
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<b>Lead officer:</b>	Rachael Mann Assistant Director (Resources and Performance) <b>Tel:</b> 01638 719245 <b>Email:</b> <a href="mailto:Rachael.mann@westsuffolk.gov.uk">Rachael.mann@westsuffolk.gov.uk</a>	
<b>Purpose of report:</b>	To update members on the outcome of the annual audit of the 2016/17 financial statements by Ernst and Young.	
<b>Recommendation:</b>	<b>Performance and Audit Scrutiny Committee:</b>  Members are asked to <b>note</b> the report and Appendix 1.	
<b>Key Decision:</b>  <i>(Check the appropriate box and delete all those that <b>do not</b> apply.)</i>	<i>Is this a Key Decision and, if so, under which definition?</i> Yes, it is a Key Decision - <input type="checkbox"/> No, it is not a Key Decision - <input checked="" type="checkbox"/>	
<b>Consultation:</b>	• N/A	
<b>Alternative option(s):</b>	• N/A	

<b>Implications:</b>			
Are there any <b>financial</b> implications? <i>If yes, please give details</i>		Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> • The report and appendix include the final scale fee in respect of the 2016/17 audit of the accounts.	
Are there any <b>staffing</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>ICT</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>legal and/or policy</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
Are there any <b>equality</b> implications? <i>If yes, please give details</i>		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> •	
<b>Risk/opportunity assessment:</b>		<i>(potential hazards or opportunities affecting corporate, service or project objectives)</i>	
<b>Risk area</b>	<b>Inherent level of risk</b> (before controls)	<b>Controls</b>	<b>Residual risk</b> (after controls)
	Low/Medium/ High*		Low/Medium/ High*
None			
<b>Ward(s) affected:</b>		N/A	
<b>Background papers:</b> <i>(all background papers are to be published on the website and a link included)</i>		None	
<b>Documents attached:</b>		<b>Appendix 1</b> – Annual Audit Letter for the year ended 31 March 2017	

## **1. Key issues and reasons for recommendation(s)**

### **1.1 Summary and reasons for recommendation**

- 1.1.1 To update members on the outcome of the annual audit of the 2016/17 financial statements by Ernst & Young (EY), our external auditors, as detailed in their Annual Audit Letter for the year ended 31 March 2017, attached at **Appendix 1**.
- 1.1.2 The letter is for information, and confirms the completion of the audit of the 2016/17 financial statements.
- 1.1.3 The final audit fee for 2016/17 of £56,309 is £9,250 higher than the planned audit fee of £47,059. This additional fee relates to work required to review the valuation and accounting transactions in relation to the acquisition of Greenheath Energy Ltd, and has been agreed by the S151 Officer. Work on the certification of claims and returns is not due to be completed until November 2017 and the results of this work, along with the final fee, will be reported in the Annual Certification Report.