

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

18 January 2021

Report of the Director of Finance and Transformation

Part 1- Public

Matters for Information

1 ANNUAL AUDIT LETTER

The purpose of the report is to inform Members of the receipt of the Annual Audit Letter for the year ended 31 March 2020.

1.1 Introduction

1.1.1 As in previous years the Annual Audit Letter summarises the main outcomes from the work carried out by our external auditor and in this case for the year ended 31 March 2020. As such it repeats the headline messages in the Audit Findings Report reported to this Committee in September. A final version of the Report was issued on 26 November.

1.1.2 The Letter is the prime means through which the results of audit and performance assessment work are communicated to Members, the public and other stakeholders. A copy of the Annual Audit Letter for the year 2019/20 is attached at **[Annex 1]** and has also been made available on the Council's website.

1.1.3 The key messages drawn from the letter are set out below:

- 1) Gave an unqualified opinion on the Council's financial statements.
- 2) Satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources.
- 3) Officers to consider lessons learnt in respect of asset valuations following the audit of the 2019/20 Financial Statements.
- 4) Commend the Council's processes to date in terms of addressing financial sustainability but would make it clear that further hard decisions are coming and the Council needs to continue to demonstrate its current commitment to financial sustainability into the medium term.

1.1.4 The Engagement Lead and or their representative will be at the meeting to introduce the paper and to answer questions.

1.2 Legal Implications

- 1.2.1 The Annual Audit Letter fulfils the requirement to communicate the results of the work of external audit to Members, the public and other stakeholders.

1.3 Financial and Value for Money Considerations

- 1.3.1 The audit fee was increased from £42,748 to £57,160 reflecting the impact of Covid-19 on the audit of the 2019/20 financial statements and additional work required, in particular relating to asset valuations.

1.4 Risk Assessment

- 1.4.1 The work carried out by our external auditor gives an independent and informed opinion of the Council's performance and financial management and is an important component of the Council's accountability to its residents and taxpayers.

Background papers:

Nil

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