

Report to	Corporate Governance and Audit Committee
Date of report	17 th March 2021
Lead Member / Officer	Councillor Julian Thompson-Hill / Steve Gadd, Head of Finance and Property
Report author	Steve Gadd, Head of Finance and Property
Title	Annual Audit Summary, from Audit Wales

1. Purpose of the Report

1.1 The Annual Audit Summary for Denbighshire County Council produced by Audit Wales and sent to the Leader and Chief Executive of the Council. In previous years this took the format of an Annual Audit Letter.

2. What is the reason for making this report?

2.1 To introduce for information the Annual Audit Summary for Denbighshire County Council, from Audit Wales (Appendix 1). The Annual Audit Summary shows the work completed since the last Annual Improvement Report, which was issued in June 2019. The audit summary forms part of the Auditor General for Wales' duties.

3. What are the Recommendations?

3.1 It is recommended that CGC note the Annual Audit Summary for Denbighshire County Council, from Audit Wales.

4. Report details

4.1 The report is to introduce the Annual Audit Summary to the Committee. Audit Wales will be present at the meeting to present the findings and central messages. DCC welcomes the summary and looks forward to continue the excellent working relationship we have with our External Auditors.

5. How does the decision contribute to the Corporate Priorities?

5.1 The provision of timely and accurate financial information contributes to the modernising of the council to deliver efficiencies and allows residents to scrutinise the Council's activities.

6. What will it cost and how will it affect other services?

6.1 There are no additional cost implications as a result of this report.

7. What are the main conclusions of the Well-being Impact Assessment?

7.1 It is the professional judgement of the Head of Education and Section 151 Officer that a Well-being Impact Assessment is not required for this report.

8. What consultations have been carried out with Scrutiny and others?

8.1 Audit Wales work closely with DCC throughout the audit process and DCC are kept fully up to date with any issues that arise from Audit Wales audit work.

9. Chief Finance Officer Statement

9.1 The production of the Annual Audit Summary is the final part of providing assurance that the Statement of Accounts for the preceding year provides a true and fair view of financial position of the Council. It's pleasing to note again that the audit was unqualified.

9.2 The letter highlights the ongoing difficult financial environment that the council has to work within, as with all local government across Wales and the UK. Cabinet and Council Members are kept fully up to date on the Council's proposals to deal with the situation.

10. What risks are there and is there anything we can do to reduce them?

10.1 The ultimate risk is that the Statement of Accounts are not produced on time, or that they are produced with material and/or significant errors in them which would result in WAO qualifying the accounts. Such an outcome would have severe adverse reputational impact on DCC.

11. Power to make the decision

The letter summarises the key messages arising from WAO's statutory responsibilities under the Public Audit (Wales) Act 2004 and their reporting responsibilities under the Code of Audit Practice. In particular the 2004 Act requires WAO to

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that they have completed the audit of the accounts.