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Ask for: Andrew Tait  
Date: 19 July 2017

Dear Member

**GOVERNANCE AND AUDIT COMMITTEE - WEDNESDAY, 19 JULY 2017**

I am now able to enclose, for consideration at next Wednesday, 19 July 2017 meeting of the Governance and Audit Committee, an addendum to the following report that was unavailable when the agenda was printed.

**Agenda Item No**

**8**

**External Audit Annual Findings Report 2016/17 (Pages 3 - 4)**

Yours sincerely

**John Lynch**  
**Head of Democratic Services**

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## Addendum to Grant Thornton Audit Findings Report for Kent County Council 2016/17

Our Audit Findings Report for 2016/17 noted that the audit was substantially complete subject to the review of any issues coming out of a technical review performed by Grant Thornton on the financial statements.

We received the output from the technical review team on 11<sup>th</sup> July 2017 and have worked through the review points with Officers to resolve any matters arising from the review and either amend for these in the accounts or report to you any matters of non-code compliant disclosures or unadjusted misstatements.

We have set out in the table below the following matters and reporting implications. There are no unadjusted misstatements, one non-code compliant matter and two material disclosure adjustment.

Technical review point	Kent County Council response	Reporting implication
The Code requires disclosure of the total General Fund balance as a single figure (Code para 3.4.2.55) so a total column should be added	Amended	Disclosure adjustment
Note 17 valuations of property plant and equipment- the narrative refers to fixed assets- this term is no longer used.	Amended	Disclosure adjustment
The policy in respect of Note 42 Interests in Companies does not say how the investment in the group entities are accounted for in the single entity accounts i.e. at cost less impairment.	Amended	Disclosure adjustment
Financial Assets, cash and cash equivalents, not measured at fair value per Note 39 should be amended to £22,000 from £47,380,000. Adjustment of £47,358,000	Amended	Material disclosure adjustment
Note 42 refers to East Kent Opportunities LLP as a joint arrangement but isn't explicit as to whether this is a joint venture or a joint operation.	Amended	Disclosure adjustment
Note 17, the table of information about revaluations of land and buildings on page 59 of the accounts should also include the valuations of surplus assets.	Amended	Disclosure adjustment
Note 4, critical judgement in respect of assets not revalued in 2016-17 needs to be updated to refer to current value instead of fair value.	Amended	Disclosure adjustment
Note 17 depreciation page 49, policy says depreciation is charged from the year following completion. The Code (Appendix E) requires depreciation from the point an asset is first brought into use.	Immaterial impact on Financial Statements	Non-Code compliant report to TCWG
Note 6 Officer Remuneration. There is a comment that the authority has no information about the detail of redundancies across the bands between £20k and £150k. The authority should obtain the detail and prepare the note in line with the requirements.	Immaterial impact on Financial Statements	Non-Code compliant report to TCWG

Grant Thornton UK LLP

19<sup>th</sup> July 2017

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