

## STATEMENT OF ACCOUNTS 2016/17 - OUTCOME OF EXTERNAL AUDIT

### Audit Committee - 26 September 2017

Report of Chief Finance Officer

Status: For Decision

Key Decision: No

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**Executive Summary:** This report sets out the external audit findings of the 2016/17 accounts.

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**Portfolio Holder** Cllr. Scholey

**Contact Officer(s)** Helen Martin Ext. 7483

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#### **Recommendation to Audit Committee that**

- a) the Statement of Accounts 2016/17 be approved.
  - b) the letter of representation (Appx B) be approved and signed by the Chairman
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#### **Introduction and Background**

- 1 A draft statement of accounts was reviewed by a working group from the Audit Committee on 1 August 2017.
- 2 The external audit of the accounts began on 3rd July and the Audit Findings Report in Appendix A sets out the findings and the changes to the accounts agreed as part of the process. The report also sets out the auditor's Value for Money (VfM) conclusion for 2016/17.
- 3 The external auditors, Sarah Ironmonger and Geoffrey Banister from Grant Thornton, will attend the meeting to discuss their report on the 2016/17 audit. The accounts are required to be signed off by the end of September 2017.
- 4 The Audited Statement of Accounts 2016/17 is attached as Appendix C.
- 5 A copy of the letter of representation from the Council to the external auditors is attached as Appendix B.
- 6 The format of the statement is similar to 2015/16 and has been compiled in line with International Financial Reporting Standards (IFRS). Additional information has been included in the accounts relating to the valuation of

our properties following the introduction of IFRS 13. A new note, the Expenditure and Funding Analysis has been included in accordance the Code requirements.

### **Review by Working Group**

- 7 At the meeting of the working group on 1 August, the Head of Finance explained the most important items in the statement and provided answers to detailed questions raised by Members.
- 8 Members examined the Statement of Accounts and the Narrative Statement and the report of the working group is appended to this report as Appendix C

### **Commentary on the Auditor's Report**

#### Audit Findings

- 9 Grant Thornton have stated that the accounts give a true and fair view of the Council's financial position, and have been properly prepared in accordance with the Code of Practice.
- 10 No adjustments were identified that affected the Council's reported financial position and no changes were required to the major statements. The audit was completed within the proposed fee of £43,156, and Grant Thornton have reported that the quality of the draft statements presented for audit was good and free of errors..
- 11 The accounting policies, estimates and judgements have been reviewed and all the indicators are green.
- 12 The changes required to the accounts are explained below:
  - a. In Note 12 The total of Trade Creditors was incorrectly shown as £1,379k when the note should have read £2,039k; money owed to other local authorities should have been included as Trade Creditors;
  - b. In Note 17, an amount of £292k of Non Domestic Rates paid in advance had been incorrectly aggregated within the total of Council Tax paid in advance.

#### Value for Money

- 13 Grant Thornton have issued an unqualified conclusion to our arrangements for Value for Money. They are satisfied that in all significant respects the Authority has put in place proper arrangements for securing economy efficiency and effectiveness in its use of resources for year ended 31 March 2017.
- 14 Grant Thornton consider the Councils risk management arrangements to be adequate and they have noted a good level of challenge and discussion around the level of risk assigned to the Property Investment Strategy.

## Summary

- 15 We would like to express our thanks to Grant Thornton for their efforts in completing the required audit work in time for reporting to this Committee.
- 16 The Finance Team completed the 2016/17 statement one month ahead of the statutory completion date in preparation for the mandatory closure date of May 2018 for the 2017/18 accounts. The Timetable for 2017/18 will be reviewed to ensure that sufficient time is allowed for detailed quality checking for next year.

## Key Implications

### Financial

There are no financial implications.

### Legal Implications and Risk Assessment Statement.

Under section 151 of the Local Government Act 1972 the section 151 officer has statutory duties in relation to the financial administration and stewardship of the authority.

### Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

## Conclusions

Members will note that there are no material issues to be brought to the attention of the Committee and that the external auditor expects to issue an unqualified opinion on the financial statements and value for money conclusion.

## Appendices

Appendix A - Grant Thornton Audit Findings Report 2016/17

Appendix B - Letter of Representation

Appendix C - Report from the Working Group

Appendix D - Audited Statement of Accounts 2016/17

**Background Papers:** None

**Adrian Rowbotham**  
**Chief Finance Officer**