

STATEMENT OF ACCOUNTS 2014/15 – OUTCOME OF EXTERNAL AUDIT

Audit Committee – 8 September 2015

Report of Chief Finance Officer

Status: For Decision

Key Decision: No

Executive Summary: This report sets out the external audit findings of the 2014/15 accounts.

Portfolio Holder Cllr. Searles

Contact Officer(s) Helen Martin Ext. 7483

Recommendation to Audit Committee: It be RESOLVED that the Statement of Accounts 2014/15 be approved.

Introduction and Background

- 1 A draft statement of accounts was reviewed by a working group from the Audit Committee on 14 July 2015.
- 2 The external audit of the accounts began on 23 June 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 2014/15.
- 3 The external auditor, Andy Mack and Geoffrey Banister from Grant Thornton, will attend the meeting to discuss their report on the 2014/15 audit. The accounts are required to be signed off by the end of September 2015.
- 4 The Audited Statement of Accounts 2014/15 is attached as Appendix C.
- 5 The format of the statement remains the same as 2013/14 and has been compiled in line with International Financial Reporting Standards (IFRS).

Review by Working Group

- 6 At the meeting of the working group on 14 July, the Head of Finance explained the most important items in the statement and provided answers to detailed questions raised by Members.

- 7 Following the working group, the Foreword has been amended to include greater emphasis on the Property Investment Strategy.

Commentary on the Auditor's Report

Audit Findings

- 8 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.
- 9 No adjustments were identified that affected the Council's reported financial position, however the draft statements were below the standard expected as more issues were identified than in previous years.
- 10 A review of the Finance Team was already planned for later this year and the outcome of this audit identifies that an element of the review needs to focus on the resources and skills required to produce an improved Statement of Accounts. This should identify the current gaps so that changes can be put in place in time for the 2015/16 process.

Value for Money

- 11 Grant Thornton have issued an unqualified conclusion to our arrangements for Value for Money. They examined our arrangements for securing economy, efficiency and effectiveness in our use of resources and confirm that we have strong arrangements in place.
- 12 The 'traffic light' indicators for value for money are all assessed as green.
- 13 The Council's track record of good financial performance is considered indicative of robust financial planning arrangements and the 10-year financial plan is considered to reflect best practice.
- 14 The Council's financial governance arrangements continue to be strong and effective financial control has enabled the successful delivery of planned financial outcomes for the year.

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 will be working with Grant Thornton to analyse the 2014/15 Accounts process so that the findings can be taken into account when reviewing the future requirements of the team.

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
2014/15

Appendix B – Letter of Representation

Appendix C – Audited Statement of Accounts
2014/15

Background Papers: None

Adrian Rowbotham
Chief Finance Officer