

STATEMENT OF ACCOUNTS 2015/16 - OUTCOME OF EXTERNAL AUDIT

Audit Committee - 27 September 2016

Report of Chief Finance Officer

Status: For Decision

Key Decision: No

Executive Summary: This report sets out the external audit findings of the 2015/16 accounts.

Portfolio Holder Cllr. Searles

Contact Officer(s) Helen Martin Ext. 7483

Recommendation to Audit Committee: That

- (a) the Statement of Accounts 2015/16 be approved; and
 - (b) the letter of representation at Appendix 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 8 August 2016.
- 2 The external audit of the accounts began on 1st August 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 2015/16.
- 3 The external auditors, Sarah Ironmonger and Geoffrey Banister from Grant Thornton, will attend the meeting to discuss their report on the 2015/16 audit. The accounts are required to be signed off by the end of September 2016.
- 4 The Audited Statement of Accounts 2015/16 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 2014/15 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. The Narrative Statement is an introduction to the accounts and includes more detail than in previous years.

Review by Working Group

- 7 At the meeting of the working group on 8 August, the Head of Finance explained the most important items in the statement and provided answers to detailed questions raised by Members.

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 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 a significant improvement in the quality of the financial statements compared to last year.
- 10 It is pleasing to report that the Audit Findings are significantly better than 2014/15 despite having limited resources and a team re-structure taking place during the annual accounts period. This is a significant achievement by the Finance Team.
- 11 Following a review of the Finance Team during 2015/16 there will be additional resources with greater expertise available to work on the final accounts process in future and to achieve the tighter deadlines required for 2017/18.

Value for Money

- 12 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.
- 13 The 'traffic light' indicators for value for money are all assessed as green.
- 14 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.
- 15 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

- 16 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.
- 17 The Finance Team will be working with Grant Thornton to analyse the 2015/16 Accounts process to identify any improvements that can be made for future years.

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 2015/16

Appendix B - Letter of Representation

Appendix C - Audited Statement of Accounts 2015/16

Background Papers:

None

Adrian Rowbotham
Chief Finance Officer