
Audit and Governance Committee

26 July 2018

Report of the Deputy Chief Executive / Director of Customer & Corporate Services

Annual Financial Report - Statement of Accounts 2017/18

Summary

1. This report presents a final set of accounts for 2017/18 to reflect changes made since the draft pre-audit accounts were presented to this committee on 27 June 2018.

Recommendations

2. Members are asked to
 - (a) Note the matters set out in the Audit Completion Report presented by the external auditor in the previous agenda item and summarised in this report.

Reason

To ensure the proper consideration of the opinion and conclusions of the external auditor in respect of the annual audit of accounts and review of the council's arrangements for ensuring value for money.

- (b) Approve the amended Annual Financial Report at Annex A for signature by the chair from a resolution of this Committee in accordance with the Accounts and Audit Regulations 2015.

Reason

To ensure compliance with the International Auditing Standards and relevant legislative requirements.

Background

3. The International Standard on Auditing (ISA) 260 requires the Council's External Auditor to report to those charged with governance any issues arising from the audit of the financial statements. It is also a statutory

requirement that the Council approves the final statement of accounts after the audit and by 31st July each year.

Analysis

4. The accounts attached at Annex A have been revised since the unaudited version was reported to the Audit & Governance Committee meeting in June 2018. A number of minor amendments have been made to the text and supporting information, mostly to try and improve the information contained within the accounts. An adjustment has also been made following discussion with Mazars to remove the deferred income element of the Allerton Waste PPP model prepared on behalf of the Council by Ernst & Young which has reduced the value of the asset and corresponding liability on the Council's balance sheet by £13m. There been no other substantive changes made to any of the core statements. All the changes made have been highlighted in the accounts attached at Annex A.
5. It should also be noted that these changes have no impact on the outturn position of the council as all the changes made are minor clarifications and technical accounting adjustments.
6. The Audit Completion Report highlights the auditor's view that the Council has made proper arrangements to secure economy, efficiency and effectiveness in our use of resources. It is anticipated both the final accounts and the Value for Money assessment will be signed off without qualification.
7. The details of all the changes made are included in appendix A of the Audit Completion Report. The 2017/18 audit is now substantially complete, and Mazars summarise their review of the accounts in their Audit Completion Report which is presented separately on the agenda for this meeting.
8. The accounts were available for public inspection between the 1st June and 12th July. There were a number of queries from several residents during this period which had a significant impact on the workload of the finance team.
9. Mazars has received correspondence from two local electors which raise a number of points. At the time of preparing this report, they were considering whether any elements constitute valid objections to the accounts.

10. The annual production of the accounts is the subject of continuous review and, as usual, areas for improvement will be identified as a result of any issues identified this year. Any subsequent items identified in the last few days of the audit work will be reported verbally at the meeting.

Consultation

11. The content of the report of the external auditor has been discussed with the relevant responsible officers. It is reported here for due consultation with those members charged with governance at the council.

Options

12. Not applicable.

Corporate Priorities

13. The Annual Financial Report provides a technical financial summary of the activities of the council and assists in providing the Council with a viable financial position on which to base future budget projections, as well as contributing to the overall effectiveness of the Council's governance and assurance arrangements.

Implications

14. There are no financial, HR, equalities, legal, crime and disorder, IT or property implications arising from this report.

Risk Management

15. Areas of risk identified throughout the annual accounts process are monitored and managed on an ongoing basis to ensure the statutory deadline is met.
16. The Council will fail to comply with legislative and best practice requirements to provide for a proper audit of the Council if it does not consider this report or approve and sign the Annual Financial Report.

Authors:	Chief Officer responsible for the report:			
Debbie Mitchell Finance & Procurement Manager (01904) 554161	Ian Floyd Director of Customer & Business Support Services			
Emma Audrain Technical Accountant (01904) 551170	Report Approved	✓	Date	18 Jul 2018
Wards Affected: All				
For further information please contact the author of the report				

Background Papers:

Audit & Governance Committee 27 June 2018 – Pre Audit Statement of Accounts 2017/18

Annex:

Annex A - Final Statement of Accounts 2017/18