

Audit Committee
15 July 2016

Annual Report and Accounts 2015/16

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| Leader | Cllr Clive Egington |
| Cabinet Member | Cllr Peter Hare-Scott |
| Responsible Officer | Head of Finance, Andrew Jarrett |

Reason for Report: To outline any changes made to the accounts subsequent to the draft set presented to the Audit Committee at its meeting on the 31 May 2016 and then seek formal approval of the finalised Accounts.

RECOMMENDATION: That the annual report and accounts be approved (subject to the recommendations made by our external auditor, Grant Thornton – see separate agenda item). The committee is also required to formally approve and sign the letter of representation attached at the back of the Accounts.

Relationship to Corporate Plan: The financial resources of the Council impact directly on its ability to deliver the corporate plan.

Financial Implications: Good financial management and administration underpins the entire document.

Legal Implications: It is a statutory requirement to follow the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (SORP) when producing the annual accounts.

Risk Assessment: The Section 151 officer is responsible for the administration of the financial affairs of the Council. Adhering to the SORP mitigates the risk of receiving a qualified set of accounts. The Accountancy Team has also reviewed its overall calculations/workings against the CIPFA published Disclosure Checklist for 2015/16 and entered into detailed discussions with the appointed Audit Manager prior to and during the completion of the accounts.

1.0 Introduction

1.1 The annual accounts for 2015/16 have been produced in full compliance with the Statement of Recommended Practice (SORP) and all other relevant accounting legislation. There were actually very few accounting changes for 2015/16.

2.0 The Annual Report and Accounts

- 2.1 Our external auditor's Grant Thornton are proposing to issue an un-qualified opinion on the 2015/16 accounts. This is clearly a very positive outcome and reflects the continued skills and hard work of the internal Finance team. We will of course strive to implement any methods of improvements prior to work starting on the 2016/17 accounts and this will be facilitated by an officer meeting(s) with the Audit Lead and Manager from Grant Thornton.
- 2.1.1 Upon review Grant Thornton have identified that last year's technical pension accounting adjustments need amendment and the figures for *last year* have now been restated where appropriate. The adjustments are plus/minus and have no net effect on the pension deficit itself. *Indeed overall this does not affect our cash balances or any of our reserves which remain exactly the same as before.* Some small note disclosure and typographical corrections have also been identified and corrected by officers. These are now included in the revised final set of accounts for your final approval.
- 2.2 In addition Grant Thornton have also stated that the Council has adequate arrangements in place to achieve financial resilience. Due to time constraints, Grant Thornton have included a summarised version of their value for money assessment (a more detailed analysis will be reported to the next Audit Committee in September).
- 2.3 Once the Accounts have been formally approved by the Audit Committee the Finance Team will produce a summarised version (written in more plain English which will just focus on the key areas of the Accounts) which will be placed on the website in the next few weeks.

3.0 Conclusion

- 3.1 Members are asked to approve the annual report and accounts which reflect a true and fair view of the financial position of the Council as at 31 March 2016.

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Background Papers:

File Reference:

Circulation of the Report: Cllr Peter Hare-Scott