

This Report will be made
public on 5 September
2017

Folkestone

Hythe & Romney Marsh
Shepway District Council



Report Number **AuG/17/09**

To: Audit and Governance Committee
Date: 13 September 2017
Status: Non-Key Decision
Head of Service: Pat Main, Head of Finance
Cabinet Member: Councillor Malcolm Dearden, Finance

Subject: Statement of Accounts 2016/17

Summary: In accordance with the Accounts and Audit Regulations 2015 the council must consider and approve its Statement of Accounts no later than 30 September 2016. The Committee received a report on the Statement of Accounts for 2016/17 at the meeting on 26 July 2017. The purpose of this report is to provide an update on the final outcome of the audit.

Reasons for recommendations:

The Committee is asked to agree the recommendations set out below to confirm that the audit of the Statement of Accounts for 2016/17 has finished and the final version of the Statement of Accounts has been formally approved.

Recommendations:

1. To receive and note Report AuG/17/09.
2. To note that the audit is now concluded and the final audited version of the Statement of Accounts for 2016/17 was signed by the Chairman of the Audit and Governance Committee and the Chief Finance Officer on 7 September 2017.

1. INTRODUCTION AND BACKGROUND

- 1.1 The 2016/17 Statement of Accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 and the Service Reporting Code of Practice 2016/17, supported by International Financial Reporting Standards (IFRS).
- 1.2 The council must comply with the provisions of the Accounts and Audit Regulations 2015. Concerning the signing, approval and publication of the Statement of Accounts:-
 - i) The responsible financial officer must, no later than 30 June 2017, sign and date the statement of accounts and certify that it presents a true and fair view of the financial position of the council at the end of the financial year and of the council's income and expenditure for that year. The Director, Organisational Change, in his role as Chief Finance Officer, signed and dated the accounts on 7 June 2017.
 - ii) The council must, no later than 30 September 2017, consider and approve the statement of accounts by way of resolution. The accounts are submitted for consideration and approval under this Agenda.
 - iii) Following approval by this Committee, the person presiding at the Committee must sign and date the statement of accounts.
 - iv) No later than 30 September, the council must publish its statement of accounts (including the annual governance statement and narrative statement) together with any certificate or opinion entered by the auditor.

2. STATEMENT OF ACCOUNTS 2016/17 – AUDIT OUTCOME

- 2.1 The latest version (at 26 July) of the 2016/17 Statement of Accounts was presented to the meeting of Audit and Governance Committee on 26 July 2017. Members were given an opportunity at the meeting to raise questions with the Finance team and with Grant Thornton's representatives.
- 2.3 At that stage this was anticipated to be the final version of the Statement of Accounts for 2016/17 therefore Members gave their approval and the Chairman and Chief Finance Officer signed the statement of accounts at the meeting.
- 2.4 Based on discussions with Grant Thornton at 26 July no further significant changes were expected, however Members were advised that their audit findings were still being finalised so there was a possibility of further changes.
- 2.5 Grant Thornton have now concluded their audit and a number of additional changes have been agreed. Changes made since the 26 July version was approved are detailed below.

Page	Paragraph	Change
35	Note 2 Expenditure and Funding Analysis	The note has been revised to ensure that it is consistent with the budget outturn information that was presented to Cabinet in June 2017
44	Note 14 Property Plant and Equipment	The note has been revised to reflect the changes detailed in Grant Thornton's Audit Findings Report
50	Note 16 Financial Instruments	The note has been revised to reflect the correct classification of soft loans and various small errors/misclassifications.
54	Note 17 Short Term Debtors	The note has been revised to reflect the changes detailed in Grant Thornton's Audit Findings Report
54	Note 19 Assets Held for Sale	The note has been revised to correct the disclosure of Property, Plant and Equipment additions and Assets Sold
64	Note 33 Related Party Transactions	The note has been revised to reflect the final figures for transactions with external bodies at year end.
66	Note 36 Defined Benefit Pensions	The note has been revised to ensure consistency with the actuarial report.
70	Note 37 Contingent Liabilities	The note has been revised to update the East Kent Housing Limited figures for 2016/17.
76	Note 41 Interests in Companies and Other Entities	The note has been revised to update the East Kent Housing Limited loss after taxation figure for 2016/17.

- 2.6 It has been agreed with Grant Thornton that these changes, while not amending the core statements (Movement in Reserves Statement, Comprehensive Income & Expenditure Statement and Balance Sheet), are significant enough to require the Chairman and Chief Finance Officer to re-sign the updated version.

3. CONCLUSION

- 3.1 The Committee is asked to note that the updated final version of the audited Statement of Accounts 2016/17 was signed by the Chairman of the

Audit and Governance Committee and the Chief Finance Officer on 7 September 2017.

- 3.2 Grant Thornton's updated Audit Findings report is attached at Appendix 1.
- 3.3 The Letter of Representation is attached Appendix 2.
- 3.4 The updated final version of the audited Statement of Accounts for 2016/17 that was signed on 7 September 2017 is attached at Appendix 3.

4. LEGAL/FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

4.1 Legal Officer's Comments (DK)

There are no legal issues arising from this report that have not already been considered.

4.2 Finance Officer's Comments (PM)

A financial summary of the main features of the Statement of Accounts is covered in the body of the report.

Diversity and Equalities Implications (PM)

- 4.3 There are none arising directly from this report

5. CONTACT OFFICERS AND BACKGROUND DOCUMENTS

Councillors with any questions arising out of this report should contact the following officer prior to the meeting

Pat Main – Head of Finance

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email: pat.main@shepway.gov.uk

The following background documents have been relied upon in the preparation of this report:

Appendices:

Appendix 1: Grant Thornton Audit Findings Report

Appendix 1: Letter of Representation

Appendix 1: Statement of Accounts 2016/17