

AUDIT FINDINGS REPORT 2015/16 ACCOUNTS

<u>Report of the:</u>	Director of Finance and Resources
<u>Contact:</u>	Kathryn Beldon
Urgent Decision?(yes/no)	Yes
If yes, reason urgent decision required:	
<u>Annexes/Appendices</u> (attached):	Annexe 1: Audit Findings Annexe 2: Financial Statements Annexe 3: Letter of Representation
<u>Other available papers</u> (not attached):	Draft Financial Outturn reported to Strategy and Resources Committee 21 June 2016

REPORT SUMMARY

This report covers Grant Thornton's audit findings and presents the Financial Statements for 2015/16 following the external audit of accounts.

<u>RECOMMENDATION (S)</u>	<i>Notes</i>
That the Committee: -	
(1) Receives the Audit Findings for 2015/16;	
(2) Receives the Financial Statements for the year ended 31 March 2016;	
(3) Agrees the management action in response to audit recommendations;	
(4) Agrees that the Chairman of Strategy and Resources Committee and the Director of Finance and Resources sign the Letter of Representation on behalf of the Council;	
(5) Delegates any further amendments to the Financial Statement for the year ended 31 March 2016 to the Director of Finance and Resources in consultation with the Chairman of Strategy and Resources Committee.	

1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy

- 1.1 There is no specific key priority covering the Financial Statements or the annual audit.

2 Background

- 2.1 The Council's financial performance for 2015/16 was reported to this committee on 21 June 2016. A copy of the draft unaudited Financial Statements was made available to Members and was placed on the Council's website.
- 2.2 Grant Thornton, the Council's external auditor, has now issued its Audit Findings following the completion of the audit of the Financial Statements. The report is attached in Annexe 1.
- 2.3 The audit findings will be presented to the Committee by Grant Thornton, who will also answer any questions members may have on the audit.
- 2.4 The audited Financial Statements are included in Annexe 2 to this report.
- 2.5 **Members are invited to raise any detailed queries on the audited Financial Statements with the Michael Smith (Chief Accountant) before to the meeting.**

3 Outcome of Audit

- 3.1 The following specific points are made in the report:-
- 3.1.1 The Auditors anticipate an unqualified opinion on the Council's Financial Statements.
- 3.1.2 Any adjustments required have been agreed and implemented and they did not affect the Council's reported outturn position or cash reserves.
- 3.1.3 The auditor plans to issue an unqualified conclusion on Value for Money

4 Action Plan

- 4.1 Appendix A of the Audit Findings report includes recommendations where management action has been agreed with the auditors

5 Proposals

- 5.1 The Committee is asked to; -
- Receive the Audit Findings for 2015/16;
 - Receive the Financial Statements for the year ended 31 March 2016;

- Agree the management action in response to audit recommendations;
- Agree that the Chairman of Strategy and Resources Committee and the Director of Finance and Resources sign the Letter of Representation on behalf of the Council;
- Delegate any further amendments to the Financial Statements for the year ended 31 March 2016 to the Director of Finance and Resources in consultation with the Chairmen of Strategy and Resources Committee.

6 Financial and Manpower Implications

6.1 **Chief Finance Officer's comments:** *On 21 June 2016, the Committee received a summary of the General Fund position for 2015/16 and the financial reserves as 31 March 2016. The Committee also received details of expenditure on the capital programme. There have been no changes made to the reported financial position.*

6.2 *An update on the Council's financial standing is contained in the Budget Targets report on this agenda.*

6.3 *The audit has been completed within the budget previously reported.*

6.4 **The Financial Statements are extensive and detailed so please raise any queries regarding Annexe 2 with me before to the Committee meeting.**

7 Legal Implications (including implications for matters relating to equality)

7.1 **Monitoring Officer's comments:** *The requirements for external audit are set out in the executive summary of the Audit Findings report.*

8 Sustainability Policy and Community Safety Implications

8.1 There are no implications for the purpose of this report.

9 Partnerships

9.1 There are no implications for the purpose of this report.

10 Risk Assessment

10.1 The external audit contributes towards effective corporate governance of the Council.

11 Conclusion and Recommendations

11.1 The external auditors propose an unqualified opinion on the Council's Financial Statements.

11.2 The Financial Statements will be published following signature and certification.

WARD(S) AFFECTED: All