

2017/18 Statement of Accounts and Audit Findings

Head of Service/Contact:	Lee Duffy, Chief Finance Officer
Urgent Decision?(yes/no)	Yes
If yes, reason urgent decision required:	Statutory requirement to certify audited Statement of Accounts by 31 July 2018
Annexes/Appendices (attached):	Annex 1: Audit Findings Report Annex 2: 2017/18 Statement of Accounts (includes Annual Governance Statement) Annex 3: Letter of Representation
Other available papers (not attached):	Financial Outturn reported as a separate agenda item

Report summary

This report covers Grant Thornton's audit findings and presents the Statement of Accounts for 2017/18 following the external audit.

Recommendation (s)

The Committee is asked to:-

- (1) Approve the Statement of Accounts for the year ended 31 March 2018;**
- (2) Agree the Annual Governance Statement included within the Statement of Accounts;**
- (3) Receive the Audit Findings for 2017/18;**
- (4) Agree the management action in response to audit recommendations;**
- (5) Agree that the Chairman of Strategy and Resources Committee and the Chief Finance Officer sign the Letter of Representation on behalf of the Council;**
- (6) Delegate any further amendments to the 2017/18 Statement of Accounts to the Chief Finance Officer in consultation with the Chairman of Strategy and Resources Committee.**

Strategy and Resources Committee

26 July 2018

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

- 1.1 The Council's four year Corporate Plan includes Managing our Resources as a key priority. The external audit of the Statement of Accounts provides assurance that the Council has accurately reported its use of financial resources and has achieved value for money.

2 Background

- 2.1 The Council's financial performance for 2017/18 is reported as a separate agenda item at this committee. A copy of the unaudited Statement of Accounts was made available to members on 1 June and placed on the Council's website on 31 May.
- 2.2 The Council's 2017/18 Statement of Accounts incorporate, for the first time, disclosures that show the combined financial position of the Council and Epsom & Ewell Property Investment Company. These disclosures are known as group accounts.
- 2.3 Grant Thornton, the Council's external auditor, has issued their Audit Findings following completion of the audit of the Statement of Accounts. The report is attached at **Annex 1**.
- 2.4 As part of the audit, Grant Thornton performed sufficient work to gain assurance that the group accounts are materially accurate.
- 2.5 The Audit Findings report will be presented to the committee by a senior officer from Grant Thornton, who will also answer any questions members may have on the audit.
- 2.6 The audited Statement of Accounts are included in **Annex 2** to this report. Members are invited to raise any detailed queries with the Chief Finance Officer prior to the meeting.

3 Outcome of Audit

- 3.1 The following specific points are made in the report:-
 - The Auditors anticipate an unqualified opinion on the Council's Statement of Accounts.
 - Any adjustments required have been agreed and implemented and they did not affect the Council's reported outturn position or cash reserves.
 - The auditor plans to issue an unqualified conclusion on Value for Money
- 3.2 Appendix A of the Audit Findings report includes recommendations where management action has been agreed with the auditors

Strategy and Resources Committee

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4 Proposals

4.1 The Committee is asked to:-

- Receive the Audit Findings for 2017/18;
- Receive the Statement of Accounts for the year ended 31 March 2018;
- Agree the Annual Governance Statement included within the Statement of Accounts
- Agree the management action in response to audit recommendations
- Agree that the Chairman of Strategy and Resources Committee and the Chief Finance Officer sign the letter of representation on behalf of the Council
- Delegate any further amendments to the 2017/18 Statement of Accounts to the Chief Finance Officer in consultation with the Chairman of Strategy and Resources Committee.

5 Financial and Manpower Implications

5.1 The Committee has received a summary of the General Fund position for 2017/18 and the financial reserves at 31 March 2018. The committee has also received details of expenditure on the capital programme.

5.2 **Chief Finance Officer's comments:** *The audit fee is within the budget previously reported. The Statement of Accounts are extensive and detailed so please raise any queries regarding Annexe 2 prior to the Committee meeting.*

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

6.1 The requirements for external audit are set out in the executive summary of the Audit Findings report.

6.2 **Monitoring Officer's comments:** *The Accounts and Audit Regulations 2015 require that the audited Statement of Accounts and Annual Governance Statement should be approved by a member committee and published on the Council's website by 31st July 2018.*

7 Sustainability Policy and Community Safety Implications; Partnerships

7.1 No implications for the purposes of this report.

8 Risk Assessment

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

Strategy and Resources Committee

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9 Conclusion and Recommendations

- 9.1 The external auditors propose an unqualified opinion on the Council's Statement of Accounts.
- 9.2 The audited Statement of Accounts will be published on the Council website following signature and certification.

Ward(s) affected: (All Wards);