



**Policy, Finance and
Development
Committee**

Tuesday, 17 July 2018

**Matter for
Information and
Decision**

Report Title: **Statement of Accounts and Annual External Audit
ISA 260 Governance Report (2017/18)**

Report Author(s): **Stephen Hinds (Director of Finance & Transformation /
Section 151 Officer)**

Purpose of Report:	To seek Members' approval of the Statement of Accounts and Annual Governance Statement 2017/18.
Report Summary:	The Council's draft accounts were approved by the Director of Finance and Transformation in May 2018, and have been subjected to detailed audit by our external auditors, KPMG. Whilst the audit has yet to be completed, as at the date of this report, KPMG are proposing to issue an unqualified audit opinion for the Statement of Accounts. In accordance with the Accounts and Audit Regulations 2015, the accounts and their Annual Governance Statement are now being presented to this Committee for their consideration and approval prior to publication by 31 July 2018.
Recommendation(s):	<p>A. That the Statement of Accounts for the year ended 31 March 2018 be reviewed and approved;</p> <p>B. That the Annual Governance Statement for the year ended 31 March 2018 be approved;</p> <p>C. In order to comply with the Council's statutory obligations, it be confirmed that the Statement of Accounts for the year ended 31 March 2018 can be published by 31 July 2018 and authorise the Director of Finance & Transformation, in liaison with the Chair of the Policy, Finance and Development Committee, to make any changes to the accounts that may be agreed with KPMG.</p>
Responsible Strategic Director, Head of Service and Officer Contact(s):	<p>Stephen Hinds (Director of Finance & Transformation) (0116) 257 2681 stephen.hinds@oadby-wigston.gov.uk</p> <p>Chris Raymakers (Head of Finance, Revenues and Benefits) (0116) 257 2891 chris.raymakers@oadby-wigston.gov.uk</p>
Corporate Priorities:	Effective Service Provision (CP2)
Vision and Values:	"A Strong Borough Together" (Vision) Accountability (V1)
Report Implications:-	
Legal:	There are no implications arising from this report.
Financial:	The implications are as set out in the report.

Corporate Risk Management:	Decreasing Financial Resources (CR1) Reputation Damage (CR4) Regulatory Governance (CR6)
Equalities and Equalities Assessment (EA):	There are no implications arising from this report. EA not applicable.
Human Rights:	There are no implications arising from this report.
Statutory Officers' Comments:-	
Head of Paid Service:	The report is satisfactory.
Chief Finance Officer:	As the author, the report is satisfactory.
Monitoring Officer:	The report is satisfactory.
Consultees:	None.
Background Papers:	The Accounts and Audit (England) Regulations 2011 Delivering Good Governance in Local Government: Framework
Appendices:	<ol style="list-style-type: none"> 1. Statement of Accounts 2017/18 2. External Audit Report (ISA 260) 2017/18 3. Annual Governance Statement 2017/18

1. Introduction and Background

- 1.1 The publication of the Statement of Accounts is governed by the requirements of the Accounts and Audit (England) Regulations 2011. These require the Statement of Accounts to be certified by the Council's Section 151 Officer (Director of Finance and Transformation) as presenting a true and fair view of the financial position of the Council by the 31 May each year. The accounts must then be submitted for external audit to publish audited accounts by no later than the 31 July each year.

2. Audit of Accounts

- 2.1 Following certification by the Director of Finance & Transformation in May 2018, the accounts have been subject to detailed and rigorous review by the Council's external auditors, KPMG. The audit report is being finalised at the time of writing this report, but we understand that the auditors are planning to issue an unqualified opinion. KPMG will present their External Audit Report (ISA 260) on the Accounts at this meeting.
- 2.2 In compliance with the Accounts and Audit Regulations, the Accounts were made available for public inspection during the audit. This period has concluded, and until the conclusion of the audit, electors or their representatives were able to question or raise objections with the external auditor. No questions or objections were raised at the time of writing this report.
- 2.3 There are a small number of adjustments made to the notes to the accounts. They relate mainly to presentational issues and will ensure that the Council complies with technical accounting regulations, specifically CIPFA's Code of Practice on Local Authority Accounting. At the time of writing this report, all adjustments have been agreed with the auditors. Given the audit is still on-going, the Committee is recommended to delegate responsibility for finalising the accounts to the Director of Finance and Transformation/151 Officer in liaison

with the Committee Chair in order to meet the 31 July statutory deadline.

3. Value For Money (VFM) Conclusion

- 3.1 It has been concluded that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources. KPMG anticipate issuing an unqualified VFM conclusion by 31 July 2018.

4. Annual Governance Statement

- 4.1 The Council's duty in respect of the Annual Governance Statement (AGS) is to undertake an annual review of its governance arrangements, which includes the effectiveness of its system of internal control. This has been done and the statement, signed by the Leader of the Council and the Interim Chief Executive, is included in a separate section within the statement of accounts. The auditors have reviewed the statement and confirmed that it complies with the guidance, Delivering Good Governance in Local Government: A Framework, issued by the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

5. Management Letter of Representation

- 5.1 It is a requirement of external audit that the Section 151 Officer signs a letter of representation confirming that they have the responsibility for the proper administration of the financial affairs of the authority and that the duties that this entails have been undertaken. The draft letter will be signed nearer to the date of the approval of the accounts.

6. Publication of the Statement of Accounts

- 6.1 If the recommendation to approve the Accounts is agreed by this Committee, KPMG will be able to provide their formal opinion on the accounts and formally conclude the audit. The accounts will then be published on the Council's website.