

TELFORD & WREKIN COUNCIL**AUDIT COMMITTEE – 24 JULY 2018****2017/18 STATEMENT OF ACCOUNTS****REPORT OF THE ASSISTANT DIRECTOR: FINANCE & HR (CHIEF FINANCIAL OFFICER)****LEAD CABINET MEMBER – CLLR LEE CARTER****PART A) SUMMARY REPORT**

- 1.1 This report informs Members of the outcome of the audit of the Council's accounts for 2017/18 and presents the Statement of Accounts for approval.
- 1.2 The Statement of Accounts is prepared on an International Financial Reporting Standards (IFRS) basis as interpreted by the Local Government Accounting Code of Practice which continues to add a level of complexity.
- 1.3 In accordance with the Accounts and Audit (England) Regulations 2015, the Chief Financial Officer certified the draft statement of accounts prior to the 31 May. These were presented to Audit Committee on the 29 May 2018, made available for public inspection and provided to the external auditors to undertake the audit of accounts. As required by regulation, the final statement of accounts is now presented to members for approval, prior to publication. This Committee has delegated authority to approve the council's final audited Statement of Accounts.
- 1.4 It is anticipated that KPMG, the Council's external auditors will give the accounts an unqualified audit opinion and their Auditor's Report is included in the Statement of Accounts.
- 1.5 There are no financial adjustments required as a result of the audit and the outturn position remains as reported to Cabinet on 31 May 2018. The majority of the changes identified are presentational which have been agreed and included in this final version.
- 1.7 Following approval the Statement of Accounts will be published on the Council's web site.

2.0 RECOMMENDATIONS

2.1 That Members approve the 2017/18 Statement of Accounts attached in the Appendix.

2.2 That delegated authority be granted to the Assistant Director: Finance & HR to make any final changes required to the Statement of Accounts prior to publication.

3.0 SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Cooperative Council priorities?	
	Yes	Delivery of all cooperative council priorities depend on the effective use of available resources. Regular financial monitoring helps to highlight variations from plan.
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	To publish audited accounts by the end of July 2018.	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The financial impacts are detailed throughout the report.
LEGAL ISSUES	No	The Statement of Accounts have been prepared in accordance with the 2017/18 Code of Practice on Local Authority Accounting and the 2015 Accounts and Audit Regulations.
OTHER IMPACTS, RISKS & OPPORTUNITIES	No	
IMPACT ON SPECIFIC WARDS	No	Borough Wide

PART B) ADDITIONAL INFORMATION

4.0 INFORMATION

- 4.1 The 2017/18 outturn position was reported to Cabinet on the 31 May 2018. In accordance with the Accounts and Audit (England) Regulations 2015, the Council is required to prepare formal Statement of Accounts in a prescribed format, following International Financial Reporting Standards. The Chief Financial Officer certified the draft statement of accounts at the end of May. These were then made available for public inspection and provided to the external auditors to undertake the audit of accounts.
- 4.2 The final overall underspend of £0.15m (-0.1% of net budget) is the same as previously reported to members in May.
- 4.3 A number of changes, mainly presentational, have been made to the accounts during the course of the audit after discussion with KPMG. None of these has impacted on the General Fund Balance position previously reported. They include:
- Note 42 Grant Income – has been updated to include some “other grants” previously not separately identified;
 - The Reconciliation of the Single Entity and Group Positions – has been updated to agree with the Consolidated I&E Account;
 - Note 15a, Fixed Asset Valuation – an additional internal valuer’s name has been added and the RICS Valuation Standards reference updated to 2015;
 - Reference to the Independent Inquiry into Child Sexual Exploitation has been included in the Narrative Report;
 - Note 24 – Treasury Related Financial Instruments – commentary has been added to outline the Council’s strategy of taking advantage of current low interest rates on short-term borrowing and close monitoring, with Arlingclose, to manage exposure to interest rate risk.
 - Note 30 – further information has been included in relation to Usable Reserves;
- 4.4 Following the issue highlighted in 2016/17, the process for completing and returning Related Party Declaration forms was changed for 2017/18 and it is pleasing to report that all Related Party Declaration forms were received before the closure of the audit.
- 4.5 As in previous years, it has been necessary to include a provision against potential costs relating to single status in the 2017/18 accounts. Working closely with the unions, the process for the next stage of implementation, joint consistency panels, has been agreed and will take place during the 2018/19 financial year. However, this progress does not mean that the current assumptions regarding potential liability can or should be reviewed or changed.
- 4.6 The final statement of accounts including all agreed amendments is attached in the Appendix.

4.7 An unqualified audit report is anticipated.

4.8 To comply with International Auditing Standards, the external auditor will also present the Annual Governance report, including recommendations, to the Audit Committee which comments on the final accounts audit

5.0 IMPACT ASSESSMENT

There is no further information to add.

6.0 PREVIOUS MINUTES

Cabinet – Service & Financial Planning Report – 31 May 2018

Audit Committee – Draft Statement of Accounts – 29 May 2018

7.0 BACKGROUND PAPERS

2017/18 Draft Statement of Accounts

2017/18 Outturn Report

General Ledger Reports

2017/18 Code of Practice on Local Authority Accounting

Accounts and Audit (England) Regulations 2015

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