

**Classification:** Public

**Key Decision:** No

## **Gravesham Borough Council**

**Report to:** Finance & Audit Committee  
**Date:** 12 September 2017  
**Reporting officer:** Director (Corporate Services)  
**Subject:** Statutory Statement of Accounts 2016/17

### **Purpose and summary of report:**

To provide Members with the audited Statement of Accounts for 2016/17.

### **Recommendations:**

1. Members consider the updates to the Statement of Accounts for 2016/17, set out in Appendix Two as identified by the audit process, and approve the amended Statement of Accounts for 2016/17 as attached at Appendix Three.
2. Members approve the letter of representation at appendix four to the report for signing by the Chair of the Finance & Audit Committee

## **1. Background**

- 1.1 The draft Statement of Accounts for 2016/17 was considered and endorsed by Members of the Finance & Audit Committee at the meeting on 10 July 2017.
- 1.2 The appointed external auditor for the 2016/17 accounts is Grant Thornton UK LLP. The appointed external auditor is required to give an opinion on whether or not the Statement of Accounts provides a true and fair view of the financial position and the results of operations of the Council for the year.
- 1.3 The Finance & Audit Committee are required to approve the Statement of Accounts by 30th September, following receipt of the audit opinion and certificate from the appointed external auditor.

## **2. Appointed External Auditor Findings**

- 2.1 The audit of the draft Statement of Accounts commenced on 28 June 2017.
- 2.2 As of writing this report, the External Auditor anticipates providing an unqualified opinion in respect of the financial statements of the Council for the year 2016/17.

Representatives from Grant Thornton LLP will be in attendance at the meeting to provide a further update to Members.

- 2.3 The audit of the 2016/17 draft financial statements has identified only one misstatement issue that has required adjustment; this relates to the impact of the exercise undertaken by officers to address historic valuation issues raised by the auditors in previous years. Some minor amendments to disclosure notes have also been recommended; otherwise the draft financial statements have required no further updates.
- 2.4 All adjustments to amend the Statement of Accounts in respect of the issues raised by the external auditor to the date of preparing this report have been made. A summary of the adjustments made to the Statement of Accounts from that presented to Members in July has been provided at Appendix Two for ease of reference. The final, audited Statement of Accounts is presented at Appendix Three.

### **3. Finance & Audit Committee approval of the Statement of Accounts 2016/17**

- 3.1 Having duly considered the Audit Findings Report and received the audit opinion and certificate of the appointed external auditor in the previous agenda item, Members are invited to approve the amended Statement of Accounts for the year ended 31 March 2017.

### **4. Letter of Representation**

- 4.1 At Appendix Four Members are presented with a letter of representation drafted on behalf of the Council that is required in connection with the audit of the financial statements of the Council. The letter sets out the Council's confirmation that the financial statements provide a true and fair view. Members are invited to approve the letter for signing on behalf of the committee by the Chair of the Finance & Audit Committee.

### **5. BACKGROUND PAPERS**

- 5.1 There are no background papers to this report.

**IMPLICATIONS**

**APPENDIX 1**

<p><b>Legal</b></p>	<p>The Statement of Accounts have been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2016/17 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Accounts &amp; Audit Regulations 2015 require the Council to prepare, in accordance with proper practices in relation to accounts, a statement of accounts for each year. The statement of accounts is required to be certified by the Section 151 Officer as presenting a true and fair view of the Council’s financial position by the end of June each year. The Finance and Audit Committee are required to approve the statement of accounts by the end of September 2017, after the audit opinion and certificate have been issued.</p>
<p><b>Finance and Value for Money</b></p>	<p>The Statement of Accounts summarises the financial performance of the Council for the financial year 2016/17, with this being best presented through the Comprehensive Income and Expenditure Statement and the Balance Sheet. The Narrative Statement provides the reader of the Statement of Accounts with a transparent, true and fair view of the financial performance and standing of the Council as at 31 March 2017 as well as commentary on the Council’s financial performance and its economy, efficiency and effectiveness in using its resources over the financial year.</p>
<p><b>Risk Assessment</b></p>	<p>Should the Accounts for the year not be presented in a true and fair fashion there is the risk that the Auditors of the accounts may issue a qualified opinion. This could ultimately have ramifications upon the authority’s ability to receive central government grant funding, and present difficulties in completion of the annual Whole of Government Accounts process. If the accounts are not approved by Members of the Finance &amp; Audit Committee, they will not be published in time to meet the statutory publication deadline of 30 September 2017.</p>
<p><b>Equality Impact Assessment</b></p>	<p><b>Screening for Equality Impacts</b></p> <p><b>Question</b></p> <p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer.  <b>No - the decision to approve the Statement of Account for 2016/17 has no direct impacts.</b></p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.                  No</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>

<b>Corporate Plan</b>	<b>There are no direct implications for the council's corporate plan objectives.</b>
<b>Crime and Disorder</b>	N/A
<b>Digital and website implications</b>	N/A
<b>Safeguarding children and vulnerable adults</b>	N/A