

**Classification:** Public

**Key Decision:** No

## **Gravesham Borough Council**

**Report to:** Finance & Audit Committee  
**Date:** 24 July 2018  
**Reporting officer:** Director (Corporate Services)  
**Subject:** Statutory Statement of Accounts 2017/18

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

To provide Members with the audited Statement of Accounts for 2017/18.

### **Recommendations:**

1. Members consider the updates to the Statement of Accounts for 2017/18, set out in Appendix Two as identified by the audit process, and approve the amended Statement of Accounts for 2017/18 as attached at Appendix Three.
2. Members agree that the Chair of the Finance & Audit Committee sign the Statement of Accounts for the Council, subject to any final comments received by the External Auditor. Any amendment required to the Statement of Accounts will be notified to Members of the Finance & Audit Committee.
3. 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 2017/18 was considered by Members of the Finance & Audit Committee and the wider Member Body at an information session held on 11 June 2018.
- 1.2 The appointed external auditor for the 2017/18 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 31<sup>st</sup> July, following receipt of the audit opinion and audit findings report from the appointed external auditor.

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

- 2.1 The audit of the draft Statement of Accounts formally commenced on 20 June 2018, albeit officers of the council and the audit team were working together prior to this date.
- 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 2017/18. Representatives from Grant Thornton LLP will be in attendance at the meeting to provide a further update to Members.
- 2.3 The audit has identified no misstatement issues that required an adjustment to the 2017/18 draft financial statements to be made.
- 2.4 Two issues were identified in relation to the valuation of Heritage Assets and operating expenses, though the impact of these findings was assessed by External Audit as being below the threshold for required adjustments so no changes to the financial statements are required. Some minor amendments to disclosure notes have also been recommended; otherwise the draft financial statements have required no further updates.
- 2.5 A summary of the adjustments made to the draft Statement of Accounts shared with Members in June 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 2017/18**

- 3.1 Having duly considered the Audit Findings Report in the previous agenda item, Members are invited to approve the amended Statement of Accounts for the year ended 31 March 2018.
- 3.2 As set out in the Audit Findings report, the audit is substantially complete and subject to outstanding queries being resolved, the External Auditors anticipate issuing an unqualified audit opinion following this Committee meeting. On the basis the audit opinion from the appointed external auditor has not yet been formally issued, members of the committee are requested to agree that the Chair of the Finance & Audit Committee sign the Statement of Accounts for the Council, subject to any final comments received by the External Auditor. Any amendment required to the Statement of Accounts will be notified to Members of the Finance & Audit Committee.

## **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 2017/18 (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 May each year. The Finance and Audit Committee are required to approve the statement of accounts by the end of July each year, 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 2017/18, 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 2018 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 31 July 2018.</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 2017/18 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