
FINAL AUDITED STATEMENT OF ACCOUNTS 2014/15

To: **Governance and Audit Committee – 24 September 2015**

Main Portfolio Area: **Financial Services and Estates**

By: **Director of Corporate Resources and S151 Officer**

Classification: **Unrestricted**

Ward: **All**

Summary: For Members to approve the audited Statement of Accounts for 2014/15 and to consider the letter of representation.

For Decision

1.0 Introduction

- 1.1 The Accounts and Audit (England) Regulations 2011 require the Council to consider, approve and publish the 2014/15 accounts by 30 September 2015. This may be done by way of a Committee, for Thanet it is the Governance and Audit Committee.
- 1.2 The draft Statement of Accounts for 2014/15 have now been audited by Grant Thornton and a number of amendments have been made as a result. Grant Thornton are required to report whether the Council's financial statements present a true and fair view of the financial position, its expenditure and income for the year and whether they have been properly prepared. They are also required to reach a formal conclusion on whether the Council has put in place proper arrangements to secure value for money. Grant Thornton have provided a separate report to Governance and Audit of their activities, findings and conclusion. Members are now asked to approve the audited accounts. These are provided at Appendix A
- 1.3 The Council, again by way of Governance and Audit Committee must also consider the letter or representation on behalf of the Council; the letter is provided at Appendix B.

2.0 Statement of Accounts

- 2.1 A small number of misclassifications and disclosure changes were identified during the audit process. The largest one being an adjustment within the movement in reserves statement, whereby a movement between lines in the Comprehensive Income and Expenditure Statement was required. This has no impact on the overall financial position of the Council. The revised treatment reverted back to the Council's initial treatment in the 2013/14 Financial Statements.

Note 6 – Movement of £7,427k is now included in the adjustments primarily involving the Pensions Reserve. Representing the return of plan assets as in note 39 for consistency.

2.2 The adjustment cited in 2.1 is a technical adjustment in the notes to the account. The Council is not the superannuation authority.

2.3 A small number of misclassifications and disclosure changes have been made in the accounts following their identification during the audit. The most significant being a reclassification of the Section 31 Grants being included in the Government Grants line instead of the income from Business Rates as it relates to the Business Rate Relief within the reconciliation to Subjective Analysis on page 71.

3.0 Value for Money

3.1 Grant Thornton are also required to give a formal Value for Money conclusion based on two criteria specified by the Audit Commission which support auditors' reporting responsibilities under the Code of Audit Practice 2010. The criteria are:

- The Council has proper arrangements in place for securing financial resilience
- The Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

3.2 During the audit of the 2013/14 accounts Grant Thornton advised that they were unable to conclude that, during 2013/14 audit, the Council had adequate arrangements for promoting and demonstrating the principles and values of good governance and gave a Qualification for Value for Money.

3.3 The audit for 2014/15 has concluded that Grant Thornton are satisfied that in all significant respects the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year 31 March 2015, and as a result propose as unqualified Value for Money opinion.

4.0 Response to Action Plan

4.1 Within the Grant Thornton findings report on page 30 an action plan is set out arising from the audit. The actions and the management responses are set out in the table below:

	Recommendation	Priority	Management Response	Implementation date and responsibility
1	Monitor the delivery of savings closely to ensure that these remain on track and that mitigating action is taken in the event of slippage in the current savings plans.	Medium	Monthly budget monitoring meetings take place with Budget Holders, CMT and Cabinet receiving quarterly update reports with any need for mitigating action reported	On-going Dir. of Corp Resources

	Recommendation	Priority	Management Response	Implementation date and responsibility
2	Ensure that continued progress is maintained in addressing the issues reported in the April 2014 Corporate Peer Challenge	High	An Improvement Board continues to monitor progress against the CPC report. In addition to the regular monitoring meetings to ensure progress	On-going Improvement Board; Senior Management
3	Complete the reviews of user access permission to I.T. systems currently in progress	Medium	This work is being led by the recently formed Corporate Information Governance Group, which has representatives from each partner authority along with ICT, Internal Audit and HR	On-going Corporate Information Governance Group
4	Management should consider implementing stronger password access settings for systems and applications	Low	The Council complies with its own corporate standard policy with this regard, in order to effect a change would require the corporate standard policy to be changed	Comments are noted

5.0 Options

- 5.1 That Members approve the audited accounts and meet statutory deadlines.
- 5.2 That Members do not approve the audited accounts and do not comply with statutory deadlines for the approval and publication of the accounts.

6.0 Corporate Implications

6.1 Financial and VAT

- 6.1.1 There are no financial or VAT implications arising directly from this report.

6.2 Legal

- 6.2.1 The Council has a statutory responsibility under the Accounts and Audit Regulations to publish the 2014/15 accounts by 30 September 2015, together with the auditor's report.

6.3 Corporate

6.3.1 Under the Local Code of Corporate Governance accepted by Cabinet on 10 November 2004, the Council is committed to publish and make available reports that give an objective and understandable account of its activities, achievements, financial position and performance.

6.3.2 The published accounts must have been subject to Member scrutiny and must give a true and fair view of the Council's financial position and its income and expenditure for the year.

6.4 Equity and Equalities

6.4.1 There are no equity or equality issues arising from this report.

7.0 Recommendation(s)

7.1 That Governance and Audit Committee approve the Statement of Accounts for 2014/15.

7.3 That Governance and Audit Committee note the letter of representation to Grant Thornton issued by the Chief Executive and Director of Corporate Resources

Contact Officer:	Tim Willis, Director of Corporate Resources and S151 Officer
Reporting to:	Madeline Homer, Chief Executive

Annex List

Annex 1	Statement of Accounts 2014/15
Annex 2	TDC CEx's letter of representation to Grant Thornton. (To Follow)

Corporate Consultation Undertaken

Finance	<i>N/A</i>
Legal	<i>Tim Howes, Director of Corporate Governance.</i>