
FINAL AUDITED STATEMENT OF ACCOUNTS 2015/16

To: **Governance and Audit Committee – 20 September 2016**

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 2015/16 and to consider the letter of representation.

For Decision

1.0 Introduction

1.1 The Accounts and Audit (England) Regulations 2015 require the Council to consider, approve and publish the 2015/16 accounts by 30 September 2016. 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 2015/16 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 **Annex 1**.

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 **Annex 2**.

2.0 Statement of Accounts

2.1 A number of additional disclosure changes were identified during the audit process, these being numerical as well as narrative. These have no impact on the overall financial position of the Council however, significant changes are identified below:

- **Cashflow Statement** has been changed to reflect various amendments to the figures, none of which impact on the Accounts overall.
- **Critical Judgements in applying Accounting Policies** has been updated to include the classification of Dreamland as a Heritage asset.
- **Fair Value Measurement of Property Assets** includes additional information in tabular format.

- **Debtors** additional information to disclose the Business Rates provision separately.
- **Provisions** reflects prior year comparator, where it had not previously.

2.2 A number of immaterial notes have been removed to aid the decluttering process:

- Intangible Assets
- Financial Instrument Adjustment Account
- Deferred Capital Receipts Reserve

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 The audit for 2014/15 had concluded that Grant Thornton were satisfied that in all significant respects the Council had 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 issued an unqualified Value for Money opinion.

3.3 As part of the 2015/16 Audit Grant Thornton have identified that they are again satisfied that the Council has in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, resulting in an unqualified Value for Money opinion.

4.0 Response to Action Plan

4.1 Within the Grant Thornton findings report on page 29 an action plan is set out arising from the audit. The actions and the management responses are set out in the table overleaf:

	Recommendation	Priority	Management Response	Implementation date and responsibility
1	The Council should look to strengthen procedures around accruals during the year to ensure they are all supported by valid documentation and that all accruals which are paid are reversed out in a timely manner to ensure the position during the year is correctly stated, including the balance at year end.	Medium	The Council should ensure all revaluation gains are allocated to individual properties so any further revaluation movements, either upward or downward are charged to the correct place in the Accounts.	To be delivered during Dec - Mar, responsibility Head of Financial Services.
2	The Council should ensure all revaluation gains are allocated to individual properties so any further revaluation movements, either upward or downward are charged to the correct place in the Accounts.	Medium	Management response would be, Financial Services will review accounts starting from 2010 to ensure the relevant revaluation balances are recorder to facilitate this work from 2016/17 onward.	Information will be available in readiness of the 2016/17 Accounts. Head of Financial Services

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

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

6.3 Legal

- 6.4 The Council has a statutory responsibility under the Accounts and Audit Regulations to publish the 2015/16 accounts by 30 September 2016, together with the auditor's report.

6.5 Corporate

- 6.6 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.
- 6.7 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.

6.8 Equity and Equalities

- 6.9 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 2015/16.
- 7.2 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 2015/16
Annex 2	TDC CEx's letter of representation to Grant Thornton.

Corporate Consultation Undertaken

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