

## AUDIT OF 2016-17 FINAL ACCOUNTS

### Governance & Audit Committee – 6 December 2017

Report Author	<b>Tim Willis, Director of Corporate Resources</b>
Portfolio Holder	<b>John Townend, Cabinet Member – Finance and Estates</b>
Status	<b>For Information</b>
Key Decision	<b>No</b>
Ward:	<b>All</b>

#### Executive Summary:

This report provides Governance & Audit Committee with an update of events related to the external audit of the final accounts, following the last G&A meeting on 27 September.

#### Recommendation(s):

To note the report.

#### CORPORATE IMPLICATIONS

<b>Financial and Value for Money</b>	It is important that members and the public can have confidence in the council's accounts, and each year, the external auditor provides an independent opinion on the accounts. There are no direct financial implications of this report, but the integrity of the accounts forms part of a robust governance framework and helps manage risk. It is therefore encouraging that the auditor has, once again, given a clean opinion in respect of the 2016-17 accounts.
<b>Legal</b>	The audit of accounts is governed by the Accounts and Audit Regulations 2015 and the Local Audit and Accountability Act 2014. The Director of Corporate Resources is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Council Accounting in the United Kingdom (the Code), and is required to give a true and fair view of the financial position of the Council.
<b>Corporate</b>	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. 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.
<b>Equalities Act 2010 &amp; Public Sector Equality Duty</b>	Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.  Protected characteristics: age, gender, disability, race, sexual orientation,

	gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.	
	Please indicate which is aim is relevant to the report	
	Eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act,	
	Advance equality of opportunity between people who share a protected characteristic and people who do not share it	✓
	Foster good relations between people who share a protected characteristic and people who do not share it.	
There are no equity or equalities issues arising from this report. The risk register identifies a number of activities designed to control risks and these will each need to be assessed for equality impact in their own right.		

<b>CORPORATE PRIORITIES (tick those relevant)✓</b>	
A clean and welcoming Environment	
Promoting inward investment and job creation	
Supporting neighbourhoods	

<b>CORPORATE VALUES (tick those relevant)✓</b>	
Delivering value for money	✓
Supporting the Workforce	
Promoting open communications	

## 1.0 Chronology of events

- 1.1 The 2016-17 accounts needed to be approved and signed off by 30 September 2017. The draft accounts (they are referred to as draft up to the point they are signed off) were provided to Governance & Audit Committee members in advance of the meeting on 27 September. It was anticipated that the external auditor, Grant Thornton, would verbally advise the committee of his unqualified opinion on the accounts, and his opinion on value for money (that “proper arrangements (are) in place to secure economy, efficiency and effectiveness in (the council’s) use of resources”).
- 1.2 Unfortunately, Grant Thornton’s Director did not do this at the meeting. In a surprise to all TDC staff present, he stated that there was a material misstatement in the accounts which could lead to his opinion being qualified.
- 1.3 This matter was resolved the next day, and all members of the Committee were emailed accordingly (Annex 1) stating that the external auditor no longer believed there was a material misstatement and he accepted the view of council officers. Further to this, a briefing paper was circulated to all G&A members on 5 October (Annex 2).
- 1.4 A letter of complaint was written to Grant Thornton on 11 October. This resulted in a meeting of the Director of Corporate Resources and a partner at Grant Thornton, on 13 November. He wrote back on 21 November and this reply is included as Annex 3.

## 2.0 Recommendation

- 2.1 To note the report.

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

## Corporate Consultation

<b>Finance</b>	Tim Willis, Director of Corporate Resources
<b>Legal</b>	Tim Howes, Director of Corporate Governance