

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1. Details of the potential risks affecting the balances and financial health of the authority are considered within the Statement of Accounts.

4. Financial Implications

- 4.1. This report considers the overall financial position of the Authority in the form of the Council's Statement of Accounts. The accounts consider the level of assets controlled and owned by the Authority, and the level of balances of held.

5. Background

- 5.1 The Accounts and Audit Regulations 2011 state that members are required to approve the annual accounts after, rather than before, the findings of the audit are known. The formal date for approval and publication of the accounts is 30 September.
- 5.2 A copy of the 2014/15 Statement of Accounts is attached at Appendix 1. The Council's external auditors, Grant Thornton, have audited the accounts during July and August. The audit of the accounts is substantially complete and the Auditor has indicated that an unqualified audit opinion will be issued on the accounts, subject to the successful completion of the outstanding matters.
- 5.3 The Accounts and Audit Regulations 2011 also require that the Statement of Accounts is accompanied by the Council's Annual Governance Statement which details the processes and procedures in place to enable the council to carry out its functions effectively. The Annual Governance Statement was approved by the Audit Committee on 25 June 2015 and is attached at Appendix 2.

6. External Audit Opinion

- 6.1 Grant Thornton are expected to provide an unqualified audit opinion on the Statement of Accounts and therefore will report as follows.

"In our opinion the financial statements give a true and fair view of the financial position of Shropshire Council as at 31 March 2015 and of its expenditure and income for the year then ended; give a true and fair view of the financial position of the Group as at 31 March 2015 and of its expenditure and income for the year then ended; and have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2014/15 and applicable law.

7. Changes from the Draft Statement of Accounts Certified by the Head of Finance, Governance & Assurance on 30 June 2015

- 7.1 There have been no material changes identified during the audit, however there have been a number of additional disclosures required and minor changes made, all with the agreement of Grant Thornton. The changes are listed below:

- a) Movement of the balance held in relation to the Foundation School brought on balance sheet from the revaluation reserve to the capital adjustment account. As these are both included in Unusable Reserves, this has no impact on the balance sheet or other primary statements.
- b) Additional cross references or minor typographical amendments have been included across the Statement of Accounts.

7.2 The audit of the Pension Fund accounts is running parallel to the audit of the Council's accounts and there are audit amendments anticipated to the Pension Fund Accounts that will need to be reflected in the Council's statement. The changes proposed relate to additional disclosures and presentational adjustments with no amendments proposed to the prime statements. Once these amendments have been finalised within the Pension Fund accounts, these will be amended in the final version of the Statement of Accounts prior to publication on 30th September 2015.

8. Letter of Representation

- 8.1 The Council is required to produce a letter of representation for the external auditors which provides assurance that the information submitted within the accounts is accurate and that all material information has been disclosed to the auditors. External audit will only sign off the accounts once this letter has been received.
- 8.2 For Shropshire Council, this letter is produced in consultation with the external auditor, signed by the Head of Finance, Governance and Assurance and the Chairman of the Audit Committee and issued prior to the publication date of 30th September 2015.

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</p>
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<p>Annual Statement of Accounts 2014/15. Audit Committee 25 June 2015</p>

<p>CIPFA's Code of Practice (Code) on Local Authority Accounting</p>
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<p>CIPFA/SOLACE guidance on the Annual Governance Statement</p>

<p>Revenue and Capital Budget 2014/15</p>

<p>Cabinet Member (Portfolio Holder)</p>

<p>All</p>

<p>Local Member</p>

<p>All</p>

<p>Appendices</p>

<p>1. Audited Statement of Accounts 2014/15</p>

<p>2. Annual Governance Statement</p>
