



Committee and date

Council

22 September 2016

10.00 am

Item

14

Public

AUDITED ANNUAL STATEMENT OF ACCOUNTS 2015/16

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1. Summary

- 1.1 This covering report and attached Annual Statement of Accounts, present to Members the final audited outturn position for the financial year 2015/16.

2. Recommendations

It is recommended that Members:

- A. Consider and approve the 2015/16 Statement of Accounts and that the Chairman of the Council signs them (in accordance with the requirements of the Accounts and Audit Regulations 2015).
- B. Agree that the Head of Finance, Governance and Assurance be authorised to make any minor adjustments to the Statement of Accounts prior to the 30th September 2016.
- C. Agree that the Head of Finance, Governance and Assurance and the Chairman of the Audit Committee sign the letter of representation in relation to the financial statements on behalf of the Council and send to the External Auditor.

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 2015 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 2015/16 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 2015 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 23 June 2016 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 2016 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 2016 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 2015/16 and applicable law.

7. Changes from the Draft Statement of Accounts Certified by the Head of Finance, Governance & Assurance on 30 June 2016

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:

- Amendment to the Gross Expenditure of Highways & Transport and Environmental & Regulatory Services in the Comprehensive Income & Expenditure Statement which have not impacted on the Total Net Cost of Services.
- Amendments to disclosures within the Financial Instrument Note to the Accounts.
- Minor typographical amendments have been included across the Statement of Accounts.

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 2016.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Annual Statement of Accounts 2015/16. Audit Committee 23 June 2016

CIPFA's Code of Practice (Code) on Local Authority Accounting

CIPFA/SOLACE guidance on the Annual Governance Statement

Revenue and Capital Budget 2015/16

Cabinet Member (Portfolio Holder)

All

Local Member

All

Appendices

1. **Audited Statement of Accounts 2015/16** – this appendix is very large; a hard copy is available in the Members Library and it is attached on the web-link to these agenda papers.

2. **Annual Governance Statement**