

Name of meeting: Corporate Governance and Audit Committee
 4 August 2017

Title of report: Update on the Council’s final accounts for
 2016/17

Purpose of report

The report updates Members on the final accounts and audit processes for 2016/17.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Not applicable
Key Decision - Is it in the Council’s Forward Plan (key decisions and private reports)?	No
The Decision - Is it eligible for “call in” by Scrutiny?	No
Date signed off by Director & name	18 July 2017 Debbie Hogg
Is it also signed off by the Service Director for Finance, IT and Transactional Services?	Yes As above
Is it also signed off by the Service Director for Governance and Commissioning Support?	Yes, 25 July 2017
Cabinet member portfolio	Cllr Graham Turner Cllr Musarrat Khan

Electoral wards affected: Not applicable

Ward councillors consulted: Not applicable

Public or private: Public

1. Summary

The draft accounts for 2016/17 were signed on 26 May 2017 by the Council’s Service Director for Finance, IT & Transactional Services which incorporates the previously considered and approved Annual Governance Statement. Subsequently the 2016/17 Financial Statements audit work has been undertaken and is substantially complete. Our appointed auditors, KPMG, had planned to complete the audit and provide the audit opinion to Corporate Governance & Audit Committee on 4 August.

The six week public inspection period for the draft accounts 2016/17 ran from 5 June to 14 July 2017. There were two objections raised by local electors in this period.

The first objection was raised on 7 July 2017 and relates to the lawfulness of the Council's Lender Option Borrower Option loans (LOBO's) on the Council's balance sheet. KPMG accepted the first objection on 17 July 2017.

The second objection was raised on 14 July 2017 and relates to the lawfulness of three of the Council's Private Finance Initiative schemes; two schools related and one housing related. KPMG have not yet completed their initial review and have yet to formally accept the objection.

In light of the estimated length of time it is likely to take for KPMG to investigate, conclude and report on any objections raised during the public inspection period, KPMG do not expect to be in a position to complete their 2016/17 audit and provide an audit opinion, before the 30 September 2017 statutory deadline.

2. Information required to take a decision

2.1 The accompanying letter from KPMG which is appended to this report sets out the current position with regard to the likely timeline for completion of the 2016/17 Audit of Accounts, highlighting key matters arising to date. This includes a position statement on the following matters :

- i) Objections to the accounts under the Local Audit & accountability Act 2014;
- ii) Financial Statements audit work; and
- iii) Value For Money conclusion work

2.2 The auditor's letter accompanying this report comments that officers have provided good quality supporting working papers in a timely manner and responded to their audit queries promptly. It also notes that no material errors have been identified in relation to the Financial Statements audit work, which is substantively complete.

3. Implications for the Council

Council funds support the delivery of the following Council objectives and priorities :

- 3.1 Early Intervention and Prevention (EIP)
- 3.2 Economic Resilience (ER)
- 3.3 Improving Outcomes for Children
- 3.4 Reducing demand of services

