



**Audit and Risk Management Committee  
Monday, 26 September 2016**

<b>REPORT TITLE:</b>	<b>STATEMENT OF ACCOUNTS 2015/16</b>
<b>REPORT OF:</b>	<b>Section 151 Officer/ Head of Financial Services</b>

**REPORT SUMMARY**

The Council Constitution allocates responsibility for the approval of the Statement of Accounts to the Audit & Risk Management Committee. The Statement for 2015/16 was published on 30 June 2016 and was then subject to audit. The Council's external auditor, Grant Thornton LLP will present their findings, within the Audit Findings Report (AFR) together with any additional update, to this meeting.

Members are requested to consider the findings of Grant Thornton, agree the Letter of Representation, agree any actions for 2015/16 and then approve the arrangements for the finalisation of the Statement of Accounts for 2015/16. This is in order for them to be published by the statutory deadline of 30 September 2016.

The Statement of Accounts includes the Merseyside Pension Fund (MPF) accounts as Wirral Council is the Administering Authority for MPF. As the MPF receives a separate Audit Findings Report this has to be considered by Pensions Committee and also this Committee as part of approving the Accounts.

**RECOMMENDATION/S**

That Committee consider the Audit Findings Report presented by Grant Thornton agreeing:

The actions taken over the amendments to the Statement of Accounts (referred to in Section 3 of this report).

That the Head of Financial Services, as Acting Section 151 Officer, being authorised to sign off the Councils' 2015/16 Statement of Accounts in consultation with the Chair of the Committee.

That the Chair of the Committee signs and dates the Letter of Representation.

That subject to the above, Committee approve the Statement of Accounts for 2015/16 and the arrangements for further amendments.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 Audit & Risk Management Committee has responsibility for approving the Statement of Accounts on behalf of the Council which is a requirement under the Accounts and Audit Regulations 2015.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The Statement of Accounts has to be produced in accordance with statutory guidance and the Statement is then subject to review by the appointed Auditor.

### **3.0 BACKGROUND INFORMATION**

- 3.1 The purpose of the Statement of Accounts is to present the overall financial position of the Council at 31 March 2016 in accordance with prescribed guidance – the Code of Practice on Local Authority Accounting in the United Kingdom (the Code). This is updated annually and specifies the accounting principles and practices required to prepare a Statement of Accounts which present a true and fair view of the financial position.
- 3.2 The Accounts and Audit Regulations 2015 require that the Council produces a statement of accounts for each year which meets set requirements. The Regulations 2015 state that the Accounts must be approved by an appropriate Committee no later than 30 September. The Head of Financial Services, as Acting Section 151 Officer, was required to certify the Accounts by 30 June 2016. It is confirmed that the Section 151 Officer/ Head of Financial Services, as the councils S.151 officer, certified the accounts by the statutory deadline. At that date, the Accounts were issued and made publicly available.
- 3.3 The Accounts published at 30 June 2016 have been subject to audit. Under National Audit Commission audit arrangements for Local Government, Grant Thornton, as the Council's appointed external auditor, reports on the financial statements. The Section 151 Officer/ Head of Financial Services has re-certified the presentation of the annual accounts. As stipulated by the Regulations, these are then considered and approved by resolution of members prior to final publication. The accounts must also be signed and dated by the Chair of this committee. Following this publication takes place (which must include publication on the Council's website) of the statement of accounts together with any certificate, opinion, or report issued, by Grant Thornton.
- 3.4 Grant Thornton are also to present their findings on Value for Money for 2015/16 to the Committee. The details are presented in a separate report.

## **AMENDMENTS TO THE STATEMENT OF ACCOUNTS**

- 3.5 Amendments to the financial statements requested by Grant Thornton are detailed in the Audit Findings Report. Members are asked to consider whether or not they agree to the amendments which have been agreed by officers. The Auditor has, at the time of writing the report, identified a number of additional disclosure requirements and revision to the note on creditors (note 21), which the Council has agreed to make.
- 3.6 The latest Statement of Accounts 2015/16 is appended and reflects the comments made by the Auditors up to Thursday 15 September, the Annual Governance Statement to be considered by this Committee and the MPF Accounts which have been considered by Pensions Committee.
- 3.7 The Committee will be updated with further audit work and findings at the meeting and alterations to the Statement of Accounts as part of the audit process may be made up until 30 September. To facilitate the finalisation of the Statement of Accounts by the required deadline Members of the Committee are asked to approve that any further revisions to Statement of Accounts will be agreed by the Head of Financial Services, as Acting Section 151 Officer, in consultation with the Chair of the Committee. Members will be informed of these revisions at the earliest opportunity.

## **AUDITOR'S REPORT AND OPINION**

- 3.8 The Audit Opinion will be issued following Committee consideration of the Audit Findings Report, approval of any amendments to the Statement of Accounts and agreement of the Letter of Representation (Appendix).
- 3.9 The Auditor's Report will be incorporated within the final version of the Statement of Accounts that will enable the Accounts to be agreed and published by the statutory deadline of 30 September 2016. An unqualified opinion on the Accounts for 2015/16 is anticipated and publication of the Accounts will take place by the statutory deadline. There are no anticipated changes to the financial position reported to Cabinet on 18 July 2016.
- 3.10 The closure of accounts is a key part of the Council's financial management processes and requires the input of substantial resources across the Council. This is necessary to deliver a smooth final accounts process and to allow Grant Thornton to carry out its audit within agreed timescales.
- 3.11 Grant Thornton received the statements and supporting working papers in accordance with the required deadline. However competing pressures within the Financial Services Division remain as capacity is limited and the management of the pressures has proven to be a considerable challenge since the commencement of the current financial year.

## **LETTER OF REPRESENTATION**

- 3.12 The Letter of Representation has to be agreed by this Committee and a draft is an Appendix to this report. This may be subject to change following the outcome of the further work and any update to this meeting by Grant Thornton.

## **ANNUAL GOVERNANCE STATEMENT (AGS)**

- 3.13 This Statement is the subject of a separate report to this Committee and, although not required to be included in the Statement of Accounts, it is included as it shows how the Council has ensured the effectiveness of its systems for ensuring that it operates legally and that public money is properly used and accounted for.

## **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The amendments to the Statement of Accounts 2015/16 have not changed the level of General Fund balance or reserves and provisions at 31 March 2016 which remain as reported to Cabinet on 18 July 2016.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 It is a legal requirement to publish the Statement of Accounts by 30 September 2016.

## **6.0 RESOURCE IMPLICATIONS**

- 6.1 There are none arising directly from this report.

## **7.0 RELEVANT RISKS**

- 7.1 If any concerns identified by Grant Thornton are not addressed by the Council then there are risks that the Council will not be able to meet its statutory requirements in respect of the Statement of Accounts as well as impacting upon Value for Money and Financial Resilience of the Council.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 There has been no specific consultation in respect of this report.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 There are none arising directly from this report.

**REPORT AUTHOR:** Tom Sault  
 Designation Head of Financial Services and Acting Section 151 Officer  
 Telephone 0151 666 3407  
 Email tomsault@wirral.gov.uk

**APPENDICES**

Letter of Representation.  
 Statement of Accounts 2015/16 (please note this is 188 pages)

**BACKGROUND PAPERS**

N/A

**SUBJECT HISTORY**

<b>Council Meeting</b>	<b>Date</b>
<b>Audit &amp; Risk Management Committee</b> Grant Thornton Audit Findings Report – - Merseyside Pension Fund - Merseyside Pension Fund Accounts 2014/15 Grant Thornton Audit Findings Report – - Wirral Council - Statement of Accounts 2014/15	<b>28 September 2015</b>
Grant Thornton Audit Findings Report – - Merseyside Pension Fund - Merseyside Pension Fund Accounts 2013/14 Grant Thornton Audit Findings Report – - Wirral Council - Statement of Accounts 2013/14	<b>17 September 2014</b>
<b>Audit &amp; Risk Management Committee</b> Grant Thornton Annual Audit Letter 2013/14 Statement of Accounts 2013/14 - update	<b>25 November 2014</b>
<b>Pensions Committee</b> Grant Thornton Audit Findings Report – - Merseyside Pension Fund - Merseyside Pension Fund Accounts 2015/16 Grant Thornton Audit Findings Report – - Merseyside Pension Fund - Merseyside Pension Fund Accounts 2014/15	<b>19 September 2016</b>  <b>14 September 2015</b> <b>&amp; 28 September 2015</b>