



**Audit and Risk Management Committee**  
**Tuesday 22 November 2016**

<b>REPORT TITLE:</b>	<b>STATEMENT OF ACCOUNTS 2015/16- UPDATE</b>
<b>REPORT OF:</b>	<b>ASSISTANT DIRECTOR: FINANCE (S151)</b>

**REPORT SUMMARY**

This report updates the Committee on the audit progress for 2015/16 including the issuing of the Auditors Opinion and publication of the Statement of Accounts in September 2016.

**RECOMMENDATION/S**

That the report be noted.

## **SUPPORTING INFORMATION**

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

- 1.1 Audit & Risk Management Committee has responsibility for approving the Statement of Accounts and the Annual Governance Statement 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 Council Constitution allocates responsibility for the approval of the Statement of Accounts to the Audit & Risk Management Committee. The draft Statement for 2015/16 published on 30 June 2016 was subject to audit by Grant Thornton, the Councils' External Auditors, and their findings were presented within the Audit Findings Report (AFR) and approved at the Audit & Risk Management Committee on 26 September 2016. The Statement of Accounts 2015/16 was published on 30 September 2016 – the statutory deadline for publication.
- 3.2 The Accounts include the Merseyside Pension Fund (MPF) accounts as the Council is the Administering Authority for MPF. As the MPF receives a separate Audit Findings Report this was considered by Pensions Committee on 19 September 2016 and Audit & Risk Management Committee as part of the approval of the Accounts. These have been finalised, including publication and are to be reported to Cabinet for information and noting.

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

- 3.3 Following the Committee on 26 September 2016 the finalisation of audit work resulted in no further changes to the Accounts.
- 3.4 The final published Statement of Accounts incorporated the Annual Governance Statement and Action plan 2015/16 approved at this Committee's meeting on 26 September. A copy can be viewed on the Councils website.

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

- 3.5 Committee on 26 September 2016 considered the Audit Findings Report issued by Grant Thornton and, given that work was on-going; delegated to the Chair of the Committee and the Head of Financial Services, as Acting Section 151 Officer authority the finalisation of the Statement of Accounts 2015/16. This took place prior to publication of the accounts.

- 3.6 The Audit Opinion issued on 30 September 2016 stated that the financial statements gave a true and fair view of the financial position of the Council at 31 March 2016, of its expenditure and income for the year and that they had been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and applicable law. The opinions issued are set out in Appendix 1.
- 3.7 Besides commenting on the Financial Statements Grant Thornton also reported on the Councils' arrangements for securing economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2016. For 2015/16 Grant Thornton issued a qualified conclusion in respect to the Councils arrangements for the year. This reflected the Ofsted announcement that was made on 20 September. In all other areas the Auditors found that the Council did have in place proper arrangements for Value for Money concluding that "except for the effects of the matter described in the Basis for qualified conclusion paragraph (Ofsted), we are satisfied that, in all significant respects, the Authority put in place proper arrangements to secure value for money through economic, efficient and effective use of its resources for the year ended 31 March 2016". The auditors will review progress in implementing the Ofsted improvement plan when undertaking the audit and Value for Money conclusions for 2016/17.
- 3.8 In October the Annual Audit letter was issued detailing the audit findings and opinions issued in the previous month. This is reported as an item elsewhere on the agenda. At the time of writing this report Grant Thornton have yet to issue the certification of completion of the audit. This will formally conclude the audit. The certificate is currently outstanding due to an objection brought by a local elector and relates to the Lender Option Borrower Option (LOBO) category of borrowings held by the Council. A number of other Councils have received similar objections. The auditor's response is being co-ordinated nationally by the National Audit Office and has yet to be released. The outcome of this will not affect the opinions already issued on the Statement of Accounts and VFM.

#### **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  
Assistant Director: Finance (S151)  
telephone: 0151 666 3407  
email: [tomsault@wirral.gov.uk](mailto:tomsault@wirral.gov.uk)

## APPENDICES

Appendix 1 Independent Auditor's Report to the Members of Wirral Council

The Statement of Accounts 2015/16 (over 190 pages) are not appended to the report but can be accessed via the Council web site.

## BACKGROUND PAPERS

Annual Audit Letter (see Agenda Item 11)

## SUBJECT HISTORY

Council Meeting	Date
<b>Audit &amp; Risk Management Committee</b> Grant Thornton Audit Findings Report – - Merseyside Pension Fund Merseyside Pension Fund Accounts 2015/16 Grant Thornton Audit Findings Report – - Wirral Council Statement of Accounts 2015/16	<b>26 September 2016</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>

**Pensions Committee**

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

**19 September 2016**

**14 September 2015  
& 28 September 2015**