

WAVERLEY BOROUGH COUNCIL
AUDIT COMMITTEE – 24 JULY 2018

Title:

STATEMENT OF ACCOUNTS 2017/2018

[Wards Affected: N/A]

Summary and purpose:

The purpose of this report is for the Audit Committee to consider and approve the Statement of Accounts for the year ended 31 March 2018.

How this report relates to the Council's Corporate Priorities:

Waverley's published Accounts are a key document that helps to demonstrate the Council's accountability for public funds. The accounts support the Council's key objective of providing good value for money by showing how the Council's resources have been utilised.

Equality and Diversity Implications:

There are no implications arising from this report. The Statement of Accounts can be provided in larger print if required.

Resource and legal implications:

There are no direct resource implications resulting from the 2017/2018 Statement of Accounts. The Accounts set out Waverley's financial position at the year-end in a format which is prescribed by Regulations and the Local Government Accounting Code of Practice.

Introduction

1. The Accounts and Audit Regulations 2015 set out the requirements for the production and publication of the annual Statement of Accounts. These Regulations incorporate a statutory requirement for the Statement of Accounts to be approved by a resolution of a Committee of the relevant body by 31 July 2018.
2. The Chief Finance Officer (Section 151 Officer) retains responsibility for the preparation of the Statement of Accounts and is required to certify that they give a true and fair view of the financial position of the Council for the year ended 31 March 2018. The Members' role in approval is to demonstrate their ownership of the Statement of Accounts and their confidence in both the Chief Finance Officer and the process by which the accounting records are maintained and the Statement of Accounts prepared. In February 2007, the Council formally delegated the authority for approving Waverley's annual

accounts to the Audit Committee. In June 2018 Members of the Audit Committee received the unaudited 2017/2018 Accounts and met with officers to receive detailed training and/or to respond to any questions.

Statement of Accounts 2017/2018

3. The Statement of Accounts for 2017/2018 is included as a separate document at Annexe 1 (to follow). This includes changes incorporated following the audit as detailed in Annexe 2. The Narrative Report to the Accounts highlights the key issues and shows the headline figures.
4. The audit of the Council's accounts for 2017/2018 by Grant Thornton is complete and the Audit Findings Report is included on this agenda.
5. The format and content of the accounts is largely prescribed by regulation and the code of practice. It is a requirement that the accounts are arranged with all core financial statements grouped together followed by all notes to these statements in a separate section. The supplementary statements, Housing Revenue Account and Collection Fund, are grouped separately with their corresponding notes section.
6. The full unaudited Statement of Accounts is available on the Council's website. This will be replaced with the final version following this Audit Committee meeting and a Summary set of Accounts.
7. It is a requirement that the Council issues a Letter of Representation to its external auditors at the conclusion of the audit and this is referred to in Grant Thornton's Audit Findings Report also on this agenda. The draft Letter of Representation is attached at Annexe 3 (to follow).

Going Concern Report

8. International Audit Standards require the Audit Committee to provide confirmation that the 2017/2018 Accounts have been prepared on a 'going concern' basis. The going concern concept is one of the core principles underpinning local authority accounting practice and refers to the assumption made when the Accounts are prepared that the organisation will continue to operate for at least 12 months following the accounting period in question, taking into consideration best estimates of future activity and cash flows.
9. The main issues around the application of the 'going concern' concept are to consider the medium term financial plans and cash flow forecasts in existence to ensure the continuing operation of the Council. Waverley's Medium-Term Financial Strategy (2018/2019 to 2020/2021) was reviewed by Members at Council in February 2018. The Medium Term Financial Strategy forecasts the Council's financial performance and identifies budget pressures for the three years of the strategy and demonstrates that the Council has sound plans to continue operating. In addition the Overview and Scrutiny Committees have been reviewing the Council's finances with the aim of resolving the budget gap.

Recommendation

It is recommended that the Audit Committee

1. approves the Statement of Accounts for the financial year ended 31 March 2018;
2. approves the Letter of Representation for 2017/2018; and
3. confirms that the accounts have been prepared on a going concern basis.

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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