



PAPER E

Purpose: For Decision

Committee report

Committee	AUDIT COMMITTEE
Date	25 SEPTEMBER 2017
Title	STATEMENT OF ACCOUNTS 2016-17
Report of	DIRECTOR OF FINANCE AND SECTION 151 OFFICER

EXECUTIVE SUMMARY

1. This report seeks approval for the council's Statement of Accounts for 2016-17 following completion of the external audit process, and having given due consideration to the content of the external auditor's annual governance report which is also on the agenda for this meeting of the committee.
2. The Accounts and Audit Regulations 2015 require approval of the Statement of Accounts by members no later than 30 September each year. Following approval, the accounts must be signed and dated by the person presiding at the meeting and published on the council's website, together with the report and opinion issued by the auditor.
3. The committee will be receiving a presentation on the financial statements as part of this agenda item.

BACKGROUND

4. Under the Accounts and Audit Regulations 2015, the director of finance and section 151 officer was required to sign and date the Statement of Accounts, and confirm that he was satisfied that the accounts presented a true and fair view of the financial position of the authority at 31 March 2017 and of the authority's income and expenditure for 2016-17, by 30 June 2017.
5. After considering comments from the auditors, and making adjustments that he felt to be appropriate, the director of finance and section 151 officer has re-confirmed that he is satisfied that the Statement of Accounts presents a true and fair view of the financial position of the authority at 31 March 2017 and of the authority's income and expenditure for 2016-17.

STRATEGIC CONTEXT

6. Approval of the council's Statement of Accounts and the overall stewardship of public funds form an integral part of the council's corporate governance framework and make a positive contribution towards the achievement of the corporate priority 'Ensuring that all the resources available to the Island are used in the most effective way in achieving the Island's priorities' within the council's Corporate Plan 2015 to 2017 which was approved by Full Council on 1 April 2015.

CONSULTATION

7. The Accounts and Audit Regulations 2015 require the council's accounts and accounting records to be available for inspection by members of the public for a period of 30 working days. For 2016-17, the accounts and supporting records were available for inspection from 1 July to 11 August 2017. The regulations also require local government electors to be notified that the Statement of Accounts is available for inspection as soon as the audit has been completed.
8. One written request for information was received during the inspection period and this related to the Pension Fund accounts.

FINANCIAL / BUDGET IMPLICATIONS

9. There are no direct financial implications associated with this report.
10. The format of the financial information contained in the Statement of Accounts is required to comply with external reporting requirements, codes of practice and the Accounts and Audit Regulations 2015.

LEGAL IMPLICATIONS

11. The director of finance and section 151 officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the council's budgeting, financial management and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the council by various statutes governing the conduct of its financial affairs.
12. If the Statement of Accounts is not approved by the committee by 30 September, the council will be in breach of the Accounts and Audit Regulations 2015. Failure to approve and publish the accounts within the timeframe set out in the regulations would represent a potential risk to the reputation of the council.

EQUALITY AND DIVERSITY

13. The council as a public body is required to meet its statutory obligations under the Equality Act 2010 to have due regard to issues of equality and diversity. There are no specific equality and diversity implications arising from the

content of this report and approval of the council's Statement of Accounts for any of the protected characteristics.

OPTIONS

14. The Accounts and Audit Regulations 2015 now require members of the council to:
 - a) Consider the Statement of Accounts;
 - b) Approve the Statement of Accounts by a resolution;
 - c) Ensure that the Statement of Accounts is signed and dated by the person presiding at the committee at which approval is given.
15. The Isle of Wight Council discharges these responsibilities through the Audit Committee.
16. The Audit Committee now has two options:
 - 1) Approve the 2016-17 Statement of Accounts
 - 2) To identify areas of concern and not approve the 2016-17 accounts.
17. In considering the Statement of Accounts the committee should take into account any comments made by the auditor.
18. Under the Accounts and Audit Regulations 2015 the council must publish the accounts together with any certificate or opinion entered by the auditor by 30 September.

RISK MANAGEMENT

19. The key risks relate to not producing and approving the council's Statement of Accounts in accordance with external reporting requirements, codes of practice and relevant financial reporting standards, and the requirements of the Accounts and Audit Regulations 2015. Failure to approve the accounts in accordance with the timeframe set out in the regulations or comply with relevant reporting standards would represent a potential risk to the reputation of the council.

EVALUATION

20. To comply with the requirements of the Accounts and Audit Regulations 2015, the council must publish the approved Statement of Accounts by 30 September together with any certificate or opinion issued by the auditor. The council has delegated the authority to approve the Statement of Accounts to the Audit Committee. The approval decision should be made after taking into account any comments made by the auditor.

RECOMMENDATION

21. Option 1 – to approve the 2016-17 Statement of Accounts.

APPENDICES ATTACHED

22. [Appendix 1](#) – Final Statement of Accounts 2016-17

Contact Point: Chris Ward, Director of Finance and S151 Officer, ☎ 821000
e-mail chris.ward@portsmouthcc.gov.uk

CHRIS WARD
*Director of Finance and S151
Officer*

CLLR DAVE STEWART
*Leader and Cabinet Member for Strategic
Partnerships*