

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

24TH SEPTEMBER 2015

REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES

H JENKINS

MATTER FOR DECISION

ALL WARDS

CLOSURE OF ACCOUNTS 2014/15

1. Purpose of the Report

- 1.1 This report addresses the need for Members to approve the audited Annual Statement of Accounts by 30th September 2015.

2. Background

- 2.1 The draft Statement of Accounts must be prepared and passed to the Council's External Auditors by 30th June each year. They then have a three month period to audit the accounts and at the end of this period they provide a report for Members consideration and approval before the statutory deadline of 30th September.
- 2.2 The draft Statement of Accounts was provided to the Wales Audit Office on the 15th June 2014, well in advance of the deadline of the end of June and the auditors have completed the majority of their audit work.

3. Closure of Accounts 2014/15

- 3.1 The Wales Audit Office intends to issue an unqualified audit report on the financial statements. Their work identifies that all non-trivial

misstatements which were identified have been corrected in the Council's Final Statement of Accounts which is included as Addendum 1.

- 3.2 There have been a number of changes made since the June meeting, primarily relating to adjustments within our capital accounting statements and some misallocated debtor and creditor balances.
- 3.3 Only one of the issues identified during the audit had a net impact on the Council's Comprehensive Income and Expenditure Statement at year end. This relates to income received for the asset recovery scheme which was included in the accounts as a creditor. However, it is unlikely that these amounts will be repaid, so the balance of £86,000 must be treated as income in 2014/15 and this has then been transferred to reserves at year end.
- 3.4 Details of all the amendments are provided in Appendix 3 of the Audit of the Financial Statements Report prepared by the Wales Audit Office, which can be found as Addendum 2.
- 3.5 The Wales Audit Office report identifies that they have no major concerns about the qualitative aspects of the Council's accounting practices and financial reporting. They found the information provided to be relevant, reliable, comparable, and easy to understand.
- 3.6 The auditors recognise that the Council continues to refine its closure process, building on the significant improvement they have seen in the last few years. However, they identify that there are still a number of issues within the capital accounts and whilst recognising that this is a complex area, they expect further improvements to be made for the 2015/16 closure process.

4. Recommendations

4.1 It is recommended that:

- Members approve the Letter of Representation;
- The final 2014/15 Statement of Accounts as included in the Addendum is approved by Members;
- The Chair of the Audit Committee be authorised to sign the Letter of Representation and the Statement of Accounts;

- Officers are tasked with continuing to make improvements to the accounts preparation process to ensure continued improvements are achieved.

5. Reason for proposed decisions

- 5.1 To ensure that the Council's Statement of Accounts is approved by the statutory deadline of 30th September.

Background Papers

Closing working papers 2014/15

Officer Contact

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Appendix

Addendum 1 – Statement of Accounts 2014/15

Addendum 2 – Audit of the Financial Statements Report-Wales Audit Office