

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Audit Committee

23rd September 2016

Report of the Director of Finance & Corporate Services – H.Jenkins

Section A - Matter For Decision

Wards – All Wards

Closure of Accounts 2015/16

Purpose of the Report

1. This report addresses the need for Members to approve the audited Annual Statement of Accounts by 30th September 2016.

Background

2. 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.
3. The draft Statement of Accounts was provided to the Wales Audit Office on the 7th June 2016, well in advance of the deadline of the end of June and the auditors have completed the majority of their audit work.

Closure of Accounts 2015/16

4. The Wales Audit Office intend issuing an unqualified audit report on the financial statements. Their work identifies that all non-trivial misstatements identified have been corrected in the Council's Final Statement of Accounts which is included as Addendum 1.

There have been a number of changes made since the June meeting, primarily relating to adjustments within our capital accounting

statements. 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.

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.

The auditors acknowledge the early receipt of the Statement of Accounts on the 7th June 2016, a week earlier than in 2014/15 and three weeks before the statutory deadline of 30th June 2016. They comment on the considerable achievement this was, given the work that is necessary to produce the financial statements and recognise that this puts the Council in a strong position to achieve the future challenges of early closure. However, they identify that there are still a number of issues within the capital accounts and there remains scope to improve the capital closure processes.

Recommendations

5. It is recommended that:
 - Members approve the Letter of Representation;
 - The final 2015/16 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.

Financial Impact

6. All financial impacts are contained within the body of the report.

Equality Impact Assessment

7. There is no requirement for an equality impact assessment in respect of this item.

Workforce impacts

8. There are no workforce impacts in respect of this item.

Legal Impacts

9. There are no legal impacts in respect of this item.

Risk Management

10. There are no risk management issues in respect of this item.

Consultation

11. There is no requirement under the Constitution for external consultation on this item.

Reason for proposed decisions

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

Implementation of Decision

13. The decision is proposed for implementation immediately.

Background Papers

Closing working papers 2015/16

Officer Contact

For further information on this report item, please contact:

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Appendix

Addendum 1 – Statement of Accounts 2015/16

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