

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

26th July 2017

REPORT OF THE DIRECTOR OF FINANCE & CORPORATE SERVICES

Matter For Decision

Wards – All wards

Statement of Accounts 2016/17

Purpose of the Report

1. The purpose of this report is to consider and approve the 2016/17 Statement of Accounts, following the completion of the external audit.

Background

2. Local authorities are required to complete, prepare and submit to audit a set of accounts by the 30th June with a requirement to gain Audit Committee approval, following the conclusion of the audit process, by the 30th September at the latest.
3. When planning for the 2016/17 closure process, the Council's Financial Services team recognised that the deadline dates would soon be brought forward from the 30th September, to the end of July, so challenged itself to achieve this deadline in advance of the legislative changes. This approach was supported by our external auditors, Wales Audit Office, who agreed that the Council would be a pilot for the early closure of local government accounts.

Closure of Accounts 2016/17

4. Neath Port Talbot's Statement of Accounts was submitted to the external auditor on the 31st May 2017 and they have now completed their audit. Following the receipt of the certified Letter of Representation, following approval at this meeting, Wales Audit Office intend issuing an unqualified audit report.

5. Wales Audit Office has provided a very encouraging Audit Report which identifies that they have no significant concerns about the qualitative aspect of our accounting practices and financial reporting. Furthermore, they have recognised the improvements made by the Capital Finance Team as well as commending the Finance Team for achieving challenging deadlines whilst maintaining the quality of their work.
6. The Council identified one item in the accounts which they raised with WAO. This related to a payment for adoption services, which overstated expenditure by £364,775, which consequently reduces the balance of reserves by the same amount. This matter is not considered material as any amendments would change the accounts by less than 1%. This item is outlined within the Letter of Representation which is included for approval.

Conclusions

7. Neath Port Talbot Council has closed its accounts and produced its Statement of Accounts in an improved timeline, whilst continuing to conform to the accounting codes of practice and good governance arrangements.
8. Audit Committee should be pleased to note that the external auditor is once again able to issue an unqualified audit opinion.

Recommendations

9. It is recommended that:
 - Members note the successful conclusion of the external audit process;
 - Members approve the Letter of Representation, included as Addendum 1;
 - The final 2016/17 Statement of Accounts, as included in Addendum 2, 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 to continue to work with WAO to improve arrangements for future years both locally and to inform the wider roll out of the early closure pilots.

Financial Impact

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

Equality Impact Assessment

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

Workforce impacts

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

Legal Impacts

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

Risk Management

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

Consultation

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

Reason for proposed decisions

16. To ensure that the Council's Statement of Accounts is approved.

Implementation of Decision

17. The decision is proposed for implementation immediately.

Background Papers

Closing working papers 2016/17

Officer Contact

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Appendix

Addendum 1 – Letter of Representation 2016/17

Addendum 2 – Statement of Accounts 2016/17