

# MIDDLESBROUGH COUNCIL

AGENDA ITEM 6

## COMMITTEE REPORT

### CORPORATE AFFAIRS AND AUDIT COMMITTEE

28<sup>TH</sup> SEPTEMBER 2017

### STATEMENT OF ACCOUNTS 2016/17

**James Bromiley – Strategic Director Finance, Governance & Support**

#### PURPOSE OF THE REPORT

1. For Members of the Corporate Affairs and Audit Committee to review and approve the Council's Statement of Accounts for the 2016/17 financial year.

#### BACKGROUND

2. The Council has prepared its 2016/17 accounts in accordance with the requirements of the Code of Practice on Local Authority Accounting in the United Kingdom 2016/17. The Code is based on International Financial Reporting Standards (IFRSs) and has been developed by the CIPFA/LASAAC Code Board under the oversight of the Financial Reporting Advisory Board.
3. All Councils have a statutory responsibility to have their 2016/17 audited accounts approved by Members and published on the council website on or before 30<sup>th</sup> September 2017.
4. Members can take assurance on the accuracy of accounts from the work undertaken by the Council's Auditors, Ernst & Young (EY), who expect to give an unqualified opinion on the financial statements i.e. the accounts give a true and fair view of the financial position of the Council as at 31<sup>st</sup> March 2017 and have been prepared in accordance with the CIPFA Code of Practice.
5. Assurance can also be taken from the Internal Audit report on Main Accounting. The overall opinion being that there was a 'Good Control Environment'.
6. The draft accounts were presented to this Committee on 29<sup>th</sup> June 2017. As is usual during the audit process, EY identified several issues that required changes to be made to the draft accounts and these have been reflected in the revised final accounts. Details of the adjustments that have been made to the accounts are contained in EY's Audit Results report. None of the adjustments are the result of any wrong doing or a lack of understanding of the requirements of the Code of Practice and they have no impact on the Council's overall financial position.

7. From next year, starting with the 2017/18 Statement of Accounts, the Accounts and Audit Regulations 2015 require draft accounts to be published by 31<sup>st</sup> May and final audited accounts by 31<sup>st</sup> July. The Council is already planning on this basis and a revised closure of accounts timetable is being drawn up to ensure these deadlines are achieved.

## **EXTERNAL CONSULTATION**

8. Notice was given in the local press and on the Council's website for any interested person to inspect, and make copies of, the Statement of Accounts and other supporting documents between 3<sup>rd</sup> July 2017 and 11<sup>th</sup> August 2017. There were two interested persons this year.

## **FINANCIAL, LEGAL AND WARD IMPLICATIONS**

9. Overall the accounts show a sound financial position for the Council with the level of balances being in line with the Council's Medium Term Financial Plan.

## **RECOMMENDATIONS**

10. It is recommended that Members approve the 2016/17 Statement of Accounts.

## **REASONS**

11. The recommendation is supported by the requirement to comply with the Accounts and Audit Regulations 2015 which require the audited Statement of Accounts to be approved by 30<sup>th</sup> September 2017.

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