

<b>21 September 2017</b>		<b>ITEM: 11</b>
<b>Standards and Audit Committee</b>		
<b>Financial Statements and Annual Governance Statement 2016/17</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Sean Clark, Director of Finance and IT		
<b>Accountable Assistant Director: Report of:</b> N/A		
<b>Accountable Director:</b> Lyn Carpenter, Chief Executive		
<b>This report is Public</b>		

### **Executive Summary**

The draft financial statements have been reviewed by external audit and are included as an appendix to this report. At the time of writing, the audit is being finalised and Members have already considered the external auditor's opinion that both the Value for Money Opinion and Financial Statements will be unqualified. The Annual Governance statement is also included as an appendix to this report and the review by external audit has been completed.

#### **1. Recommendation(s)**

**That the Standards and Audit Committee:**

- 1.1 Having consideration to the comments within the Audit Results Report considered earlier on the agenda, approve the Financial Statement;**
- 1.2 Note the issues contained within, and approve, the Annual Governance Statement; and**
- 1.3 Approve the letter of representation on behalf of the Council to be signed by the Chair of the committee.**

#### **2. Introduction and Background**

##### **2.1 Financial Statement**

- 2.1.1 The Financial Statements sets out the financial performance for the 2016/17 financial year and both the Council's financial position and the Group's financial position as at 31 March 2017.
- 2.1.2 There are a number of statements and supporting notes set out in the document and an explanatory forward that summarises the performance for the year and highlights challenges and opportunities going forward.
- 2.1.3 The headline from a Council perspective is that the Council achieved a balanced budget and has maintained the General Fund reserve at the optimum level set by the Council's Responsible Financial Officer and endorsed by Council.

## **2.2 Annual Governance Statement:**

- 2.2.1 Thurrock Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 2.2.2 The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 2.2.3 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 2.2.4 This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006, 2011 and 2015 in relation to the publication of a statement on internal control.

## **2.3 Letter of Representation:**

- 2.3.1 The letter of representation is a letter issued by the Council to the auditor in writing as an additional form of audit evidence. The date of the document must not be later than the date of audit work completion. It is used to let the the Council's management declare in writing that the financial statements and other presentations to the auditor are sufficient and appropriate and without omission of material facts to the financial statements, to the best of the management's knowledge. For audit evidence, it is reliable if the auditor has no other means of obtaining evidence. The person issuing the letter should have the appropriate authority or seniority in the organization to vouch on the issue.

### **3. Issues, Options and Analysis of Options**

3.1 There are no specific issues, options or analysis of options to consider.

### **4. Reasons for Recommendation**

4.1 To enable the Council to meet the requirements of the Accounts and Audit (England) Regulations 2015 in respect of the approval of the financial statements and the annual governance statement.

### **5. Consultation (including Overview and Scrutiny, if applicable)**

5.1 The accounts were open to the public for inspection.

### **6. Impact on corporate policies, priorities, performance and community impact**

6.1 The closure of the accounts gives certainty to the financial position of the Council which is a key part of the budget setting process.

### **7. Implications**

#### **7.1 Financial**

Implications verified by: **Sean Clark**  
**Director of Finance and IT**

We can confirm that the usable reserves within this restated financial statement are broadly as previously reported throughout the year to Cabinet.

#### **7.2 Legal**

Implications verified by: **David Lawson**  
**Deputy Head of Legal and Monitoring Officer**

There are no direct legal implications arising from this report.

#### **7.3 Diversity and Equality**

Implications verified by: **Natalie Warren**  
**Community Development and Equalities Manager**

There are no diversity and equality implications resulting directly from this report.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

None

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

There are a number of working papers retained within the Corporate Finance Section.

9. **Appendices to the report**

- Appendix 1 – Annual Governance Statement
- Appendix 2 – Financial Statements
- Appendix 3 – Letter of Representation

**Report Author:**

Sean Clark

Director of Finance and IT

Corporate Finance