

24 September 2015

ITEM: 11

Standards and Audit Committee

Financial Statements and Annual Governance Statement Update

Wards and communities affected:

All

Key Decision:

Non-Key

Report of: Sean Clark, Head of Corporate Finance

Accountable Head of Service: Report of: Sean Clark, Head of Corporate Finance

Accountable Director: Lyn Carpenter, Chief Executive

This report is Public

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 interim 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 has also been reviewed by external audit.

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 subject to any further changes presented to the committee;**
- 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 once the audit is near completion.**

2. Introduction and Background

2.1 Financial Statement

2.1.1 The Financial Statement sets out the financial performance for the 2014/15 financial year and the Council's financial position as at 31 March 2015.

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 once again came within budget and has maintained reserves 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 and 2011 in relation to the publication of a statement on internal control.

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 2011 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**
Head of Corporate Finance

We can confirm that the usable reserves within this restated financial statement are broadly as previously reported throughout the year to Cabinet and there has been no change to the usable reserves as a result of this audit.

7.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Legal & Governance

There are no direct legal implications arising from this report.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
**Community Development & 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 Statement
- Appendix 3 – Letter of Representation

Report Author:

Sean Clark

Head of Corporate Finance

Corporate Finance