

MEETING: **AUDIT COMMITTEE**

DATE: **14 July 2016**

TITLE: **STATEMENT OF ACCOUNTS 2015/16**

PURPOSE / RECOMMENDATION: **To receive the statutory Statement of Accounts (pre-audit draft) for information**

AUTHOR: **Dafydd L Edwards, Head of Finance**

CABINET MEMBER: **Councillor Peredur Jenkins**

1. INTRODUCTION

- 1.1 This report introduces the statutory Statement of Accounts for the 2015/16 financial year, which provides details of the Council's financial activities during the year which ended on 31 March 2016.
- 1.2 The following document is the draft Statement of Accounts in its statutory format, 109 pages long in each language. A link to the Statement was sent to all elected members and chief officers of the Council on 5 July 2016.
- 1.3 The draft accounts presented here have yet to be audited, so it is possible that some changes may be necessary before a final version is submitted for approval at the 29 September 2016 meeting of the Audit Committee.
- 1.4 The basic form and content of these Statements is prescribed under the Accounts and Audit (Wales) Regulations 2014, as well as other national regulations and standards. Several requirements of the IFRS (International Financial Reporting Standards) are based on Code of Practice on Local Authority Accounting and apply to the Council's Statement of Accounts for 2015/16. As the regulations require statements in a standard format, comparisons with other bodies' accounts are facilitated, but the statements have now become technically complex and difficult to understand.
- 1.5 Simple summary "outturn" reports regarding the 2015/16 accounts were presented to the Cabinet meeting of 7 June 2016 and also to the Audit Committee on 23 June 2016. That report was more useful for internal / management purposes, while the Statement of Accounts is more suited for external / governance purposes.

2. ACTION REQUIRED

- 2.1 The Audit Committee are “those charged with governance” on behalf of the Council, and approved the draft (subject to audit) statement of accounts prior to 2009/10. However, revisions in 2010 to the Accounts and Audit Regulations gave the Statutory Finance Officer (the Head of Finance in Gwynedd Council) responsibility for approving and certifying the draft accounts before 30 June.
- 2.2 There is no longer any requirement for elected members to approve the draft version of the Council’s Statement of Accounts, but this is presented to the Audit Committee FOR INFORMATION as good practice.
- 2.3 Doubtless, the committee’s members will wish to consider and understand the content now, in preparation for approving the final version in September, and to equip themselves with information to consider relevant risks and other matters being audited in their context.

3. SUBSEQUENT STEPS

- 3.1 Further to certification by the Head of Finance and consideration by the Audit Committee, the Statement of Accounts for 2015/16, with all other relevant statements, will be the subject of the annual audit process by Deloitte, Gwynedd Council’s external auditors, who were appointed by the Auditor General for Wales.
- 3.2 In accordance with the Accounts and Audit (Wales) Regulations 2014, the Council will also notify the public, via the local press, that the accounts are available for inspection for a 20 working day period. As part of the audit process, during the period from 03/08/16 until 31/08/16, local government electors also have the opportunity to question the external auditor about the Council’s accounts.
- 3.3 As noted in paragraph 1.3 (above), the final (audited) version of the Council’s 2015/16 Statement of Accounts will be submitted to the 29 September 2016 meeting of the Audit Committee FOR APPROVAL, along with a report on behalf of the Auditor General for Wales (Huw Vaughan Thomas).
- 3.4 Subsequently, it is the Finance Department’s intention to provide a link to the final Statement to all elected members and all chief officers of the Council, as well as other interested parties.

4. RECOMMENDATION

- 4.1 The Audit Committee is asked to receive and note the Council’s Statement of Accounts (subject to audit) for 2015/16.