

Date of issue: Tuesday, 10 October 2017

MEETING	AUDIT AND CORPORATE GOVERNANCE COMMITTEE (Councillors Chaudhry (Chair), Chohan (Vice-Chair), Brooker, Amarpreet Dhaliwal, Sadiq, Swindlehurst and Usmani) CO-OPTED INDEPENDENT MEMBERS: Ronald Roberts, Alan Sunderland and Iqbal Zafar PARISH COUNCIL MEMBERS: Parish Councillor Raymond Jackson (Colnbrook with Poyle) Parish Councillor Harjinder Gahir (Wexham Court) INDEPENDENT PERSON: Dr Louis Lee
DATE AND TIME:	WEDNESDAY, 11TH OCTOBER, 2017 AT 6.30 PM
VENUE:	VENUS SUITE 2, ST MARTINS PLACE, 51 BATH ROAD, SLOUGH, BERKSHIRE, SL1 3UF
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	SHABANA KAUSER 01753 787503

SUPPLEMENTARY PAPERS

The following Papers have been added to the agenda for the above meeting:-

* Item 7 was not available for publication with the rest of the agenda.

PART 1

<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
7.	Financial Statements 2016/17	1 - 4	All

This page is intentionally left blank

SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Corporate Governance Committee **DATE:** 11th October 2017

CONTACT OFFICER: Neil Wilcox; Assistant Director, Audit & Finance
(For all Enquiries) (01753) 875368

WARD(S): All

PART I
FOR COMMENT & CONSIDERATION

FINANCIAL STATEMENTS 2016/17

1. **Purpose of Report**

The purpose of this report is to update Members on the progress of external audit of the 2016/17 financial statements.

2. **Recommendation(s)/Proposed Action**

That Audit & Corporate Governance Committee is requested to comment on and note the report.

3a. **Slough Joint Wellbeing Strategy Priorities**

The actions contained within the attached reports are designed to improve the governance of the organisation and will contribute to all of the strategic priorities.

Priorities:

- Protecting vulnerable children
- Increasing life expectancy by focussing on inequalities
- Improving mental health and wellbeing
- Housing

3b. **Five Year Plan Outcomes**

The actions contained within this report will assist in achieving all of the five year plan outcomes

4. **Other Implications**

(a) Financial

There are no financial implications of this report.

(b) Risk Management

<i>Recommendation</i>	<i>Risk/Threat/Opportunity</i>	<i>Mitigation(s)</i>
<i>That Audit & Corporate Governance Committee is requested to comment on and note the attached report</i>	<i>This report concerns risk management across the Council</i>	

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act or other legal implications in this report

(d) Equalities Impact Assessment

There is no identified need for an EIA.

5. **Supporting Information**

5.1 **Background**

5.1.1 Members of the Audit and Corporate Governance Committee would normally have the opportunity to receive and question the Council's external auditors at this meeting regarding the audit of the 2016/17 financial statements. The Committee would also be asked to approve the financial statements.

5.1.2 The Council is required to submit a signed copy of its financial statements to the external auditors, BDO, by the 30th June 2017. The Council completed this requirement in line with statutory deadlines.

5.1.3 Over the summer period the external auditors, BDO (independently appointed by the Audit Commission for the 2016/17 financial year) conduct a review of the financial statements produced and provide two opinions:

- 1) An opinion on the financial statements themselves; and
- 2) A Value for Money opinion.

5.1.4 The expected report for tonight's meeting would normally cover these two opinions and detail how the Council complies, or otherwise, with these opinions. BDO would also include recommendations for the Council going forward.

5.1.5 It has not been possible to provide the financial statements to this meeting and the external auditors have not been able to produce their reports. Both sides have worked hard over the past few months to arrive at an agreed position but the following factors have led to a delay in signing off the opinion and the statements.

5.1.6 For the first time SBC is required to produce Group Accounts. The creation of the Slough Urban Renewal (SUR) has complicated the production of the year end accounts. The SUR financial information has not been consolidated into the Council's accounts during both 2014/15 and 2015/16 because the Council's 50% share was not deemed to be material. The 2016/17 statements were initially assumed to not be material and were reflected in the policies and notes along the same lines as previous years.

- 5.1.7 For 2016/17, BDO have required us to consolidate the SUR accounts into our financial statements and they are in the process of completing the audit of these new statements. This has been complicated by the fact that the SUR auditors (who are also BDO) are only required to sign off the accounts by the end of September 2017 and their accounting year runs until December 2016. This means that an element of estimation is required which we have been told requires additional auditing resources.
- 5.1.8 The external auditors have been finalising some last minute sampling of various invoices and so it has not been possible to agree the adjusted and unadjusted movements to the accounts.
- 5.1.9 As mentioned above the external audit report will need to include the use of resources findings and conclusions. It is important that both sides get to review this report and there was a risk that the audit completion report would have had a number of outstanding conclusions resulting in the committee not having sufficient assurance to have been able to approve the accounts.
- 5.1.10 It should be noted that, to date, the external auditors have only requested a few adjustments to be made to the statements and these have not had any impact on the Council's financial position, as at 31st March 2017.
- 5.1.11 It is proposed that the financial statements, and associated audit opinions, are brought back to this committee in early November for consideration and sign-off.

6. **Comments of Other Committees**

There are no comments from other Committees

7. **Conclusion**

The Members note the current position regarding the external audit and financial statements.

8. **Appendices Attached**

None.

9. **Background Papers**

None.

This page is intentionally left blank