

## SLOUGH BOROUGH COUNCIL

**REPORT TO:** Audit & Corporate Governance Committee **DATE:** 29th September 2016

**CONTACT OFFICER:** Stephen Fitzgerald, Interim Assistant Director; Finance & Audit  
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**WARD(S):** All

### PART I FOR DECISION

#### FINANCIAL STATEMENTS 2015/16

##### 1 Purpose of Report

To provide members of the Audit & Corporate Governance Committee the opportunity to receive and question the Council's external auditors concerning the audit of the 2015-16 financial statements, and to then approve the financial statements.

##### 2 Recommendation(s)/Proposed Action

The Committee is requested to resolve that the Council's financial statements for the 2015-16 financial year be approved.

##### 3 The Joint Wellbeing Strategy, the JSNA and the Five Year Plan

###### 3.1 Joint Wellbeing Strategy Priorities

The report indirectly supports all of the SJWS priorities and cross cutting themes. The maintenance of good governance within the Council to ensure that it is efficient, effective and economic in everything it does is achieved through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

##### 4 Other Implications

###### (a) Financial

Detailed within the report.

###### (b) Risk Management

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
Legal	n/a	n/a
Property	n/a	n/a
Human Rights	n/a	n/a
Health and Safety	n/a	n/a
Employment Issues	n/a	n/a
Equalities Issues	n/a	n/a

Community Support	n/a	n/a
Communications	n/a	n/a
Community Safety	n/a	n/a
Financial – BDO have requested additional fee for their work on the financial statements	Response back to BDO on the scale and level of additional work that was completed	n/a
Timetable for delivery	n/a	n/a
Project Capacity	n/a	n/a
Other	n/a	n/a

No Human Rights Act Implications.

No identified need for the completion of an EIA

## 5 **Supporting Information**

### 5.1 **Background**

- 5.1.1 The Council is required to submit a signed copy of its financial statements to the external auditors, BDO, by the 30<sup>th</sup> June 2016. The Council completed this in line with statutory deadlines.
- 5.1.2 Over the summer period the Council's external auditors, BDO (independently appointed by the Audit Commission for the 2015-16 financial year), conduct a review of the Council and the financial statements produced and provide two opinions on this. Firstly, an opinion on the financial statements themselves and secondly, a Value for Money opinion.
- 5.1.3 BDO are required to provide this opinion to the Council by the 30<sup>th</sup> September.
- 5.1.4 The report from BDO covers the two opinions that they provide and detail how the Council complies, or otherwise, with these opinions. BDO also include recommendations for the Council going forward.
- 5.1.5 The summary points of the report are included within the BDO's report. However, it is important to note that the outcome of the audit by BDO is that there have been no adjustments to the bottom line level of general reserve that the Council has available, and that the proposed material adjustments reported by BDO have been made to the financial statements and are accounting adjustments to the presentation of the financial statements. Wherever BDO have found any errors or omissions, the Council has endeavoured to amend these, even where they are not material, so that the financial statements for members to approve are as accurate as possible. There remains some unadjusted audit amendments; however, these are all immaterial and are often based upon extrapolated errors. Management have decided not to adjust for these as they would be difficult to post to the financial statements with supporting evidence.
- 5.1.6 BDO also audits the Council's arrangements for putting in place arrangements for securing value for money. BDO are due to qualify this opinion on the basis of the Children's Social Care service. The VFM conclusion will state that in all significant

respects, the Council secures value for money in its use of resources except for this matter.

## **6 Comments of Other Committees**

This report has not been considered by any other committees.

## **7 Conclusion**

That the Audit & Corporate Governance Committee approves the financial statements on the basis of the external auditors report and that these financial statements represent a true and fair view of the Council's financial activities in 2015-16. That the Council notes BDO's opinion on how the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

## **8 Appendices**

A - Final Financial Statement 2015-16 (TO FOLLOW)

B - External ISA 260 Audit Report