

SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Corporate Governance Committee **DATE:** 18th July 2018

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WARD(S): All

PART I **FOR COMMENT & CONSIDERATION**

FINANCIAL STATEMENTS 2017/18

1. **Purpose of Report**

The purpose of this report is to update Members on the progress of external audit of the 2017/18 financial statements.

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

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

And that the Chair in conjunction with the Director of Finance and Resources be delegated the authority to approve the financial statements after circulating the final audit letter and with no additional issues raised.

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 This meeting in previous years would have been held in September and 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 2017/18 financial statements. The Committee would also be asked to approve the financial statements.

5.1.2 The Closure of Accounts process has been brought forward this year. In previous Years Council's were required to submit a signed copy of its financial statements to the external auditors, BDO, by the 30th June 2018. This year the deadline was 31st May 2018. Despite the time pressures members will be well aware of the issues faced closing the 2016/17 accounts and the lateness of sign off. Despite all these issues the Council completed this requirement in line with statutory deadlines. Councils throughout the country have struggled to meet this deadline.

5.1.3 As the committee are aware the 2016/17 accounts were signed off late in February 2018. This obviously meant that the closure of the 2017/18 accounts began late. The finance teams have worked tirelessly with BDO within an agreed timeframe in order to meet both the publication and signing deadlines.

Additional resources in terms of both personnel have been employed with a view to meeting the strict timeframe. A dedicated finance resource has been leading the process from an SBC point of view and we also introduced the CIPFA Big Red Button (BRB) accounting system in order to help production of the statements and to make the auditing easier

5.1.4 A great deal of progress has been made in a short space of time but there will undoubtedly be areas where we will need to improve further for 2018/19. These areas will be highlighted in the BDO report but we are already beginning some of the work in these areas.

- 5.1.5 Since the beginning of June the external auditors, BDO (independently appointed by the Audit Commission for the 2017/18 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.
- 5.1.6 As in 5.1.2 above the deadlines for audit sign off have been brought forward by 2 months from the 30 September 2018 to 31st July 2018. The report elsewhere on tonight's agenda covers these two opinions and gives detail how the Council has complied, or otherwise, to date with these opinions.
- 5.1.7 The draft financial statements have been included to this report. Both sides continue to work hard to conclude the audit by the end of July.
- 5.1.8 For the first time SBC is required to produce Group Accounts. The creation of the Slough Urban Renewal (SUR) and the setting up of 2 housing companies 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, 2015/16 and 2016/17 because the Council's 50% share was not deemed to be material. The 2017/18 statements are assumed to be material and have been reflected in the policies and notes within the statements.
- 5.1.9 It is proposed that the financial statements, and associated audit opinions, are circulated to committee members when complete and a further report will be brought back to this committee in September.

6. **Comments of Other Committees**

This report has not been considered by any other committees.

7. **Conclusion**

- (a) That the update on the external audit and timescale for finalising the 2017/18 financial statements be noted.
- (b) That the Chair in conjunction with the Director of Finance and Resources be delegated the authority to approve the financial statements after circulating the final audit letter and with no additional material issues raised.

8. **Appendices Attached**

Draft Statement of Accounts 2017/18 – included in the Appendix Pack

9. **Background Papers**

None.