

Report To: **OVERVIEW (AUDIT) PANEL**

Date: 31 July 2017

Reporting Officer: Councillor J M Fitzpatrick - First Deputy Performance and Finance
Ian Duncan – Assistant Executive Director, Resources
(Section 151 Officer)

Subject: **AUDITED STATEMENT OF ACCOUNTS 2016/17**

Report Summary: This report represents the audited Tameside MBC and Greater Manchester Pension Fund, which is administered by Tameside Council Statement of Accounts for 2016/17.

Recommendations: That the Panel approve the audited Statement of Accounts for 2016/17 (**Appendix 1**), including the core statements and the notes to the accounts.

**Financial Implications:
(Authorised by the Section 151 officer)** The Statement of Accounts sets out full details of the Council's financial position as at 31 March 2017 consistent with International Financial Reporting Standards (IFRS).
The Council is required to have the audited accounts accepted by a committee of the Council before 30 September 2017.

**Legal Implications:
(Authorised by the Borough Solicitor)** There is a statutory duty imposed on the Council to be able to provide adequate evidence for all its financial activities set out in the Local Government and Housing Act 1989. The preparation of the annual accounts and the audit of those accounts is the main mechanism by which the adequacy of those records is tested.

Links to Community Strategy: The Community Strategy has helped determine priorities for Council spending, which is summarised in the 2016/17 accounts.

Policy Implications: There are no policy implications flowing from the Statement of Accounts.

Risk Management: The audit provides external verification of the Council's financial statements.

Access to Information: Background papers can be obtained from the author of the report, Julie Hardman , Financial Management

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1. BACKGROUND

- 1.1 It is necessary to consider the Audit Findings report of the Council's external auditor (Grant Thornton) regarding the Statement of Accounts before agreeing the audited accounts. The Audit Findings report for the Council and the Greater Manchester Pension Fund which is administered by Tameside Council have been considered earlier on this agenda and the adjustments highlighted as part of the audit have been included in the report.

2. INTRODUCTION

- 2.1 The current legislation enables the pre-audit Statement of Accounts to be certified by the Assistant Executive Director of Finance, (Section 151 Officer) ; this was completed on the 7 June 2017. This has been achieved earlier than the previous financial year and will be required by the 31 May for the 2017/18 accounts. As a result of the accelerated deadlines, the audit is scheduled to be on going up until 31 July 2017.
- 2.2 Following this, the audit has progressed and an audit outcome has been received. The audit outcome was presented previously on the agenda. No changes have been required which would fundamentally alter any assessment of the Council's overall financial stability, and no issues have been found which cast fundamental doubt on the overall adequacy of the financial records and the accounts maintained by the Council. The adjustments recommended have also helped to improve the overall quality of the accounts and have not impacted on the financial position reported.
- 2.3 The Tameside MBC Statement of Accounts 2016/17 (**Appendix 1**) has been amended in line with the Audit Findings report (ISA260). Due to the on going audit, there is a small risk that the accounts as presented in Appendix 1 could be further amended. However, the substantial audit areas have been tested and any changes, if necessary, are likely to be minor. If it is necessary to make any changes these will be published prior to the meeting on 31 July 2017.
- 2.4 The Audit Findings report (ISA260) has been submitted by Grant Thornton and has been discussed previously at this meeting. The Greater Manchester Pension Fund, which is administered by Tameside Council audit findings and Statement of Accounts were considered at the Greater Manchester Pension Fund, which is administered by Tameside Council Management / Advisory Panel on 21 July 2017.

3. ISSUES

- 3.1 The attached Statement of Accounts includes the audited accounts for both the Council and Greater Manchester Pension Fund, which is administered by Tameside Council. The Statement of Accounts 2016/17 have been adjusted for those items which the auditors have recommended and Officers have disclosed. All these changes have been agreed by management and all the amendments have been incorporated.
- 3.2 The main amendments have been :-
- Balance sheet – amendment to the Balance sheet and all related notes for property valuation,
 - Operating expenses – amendments to both income and expenditure relating to internal charges.
- 3.3 The purpose of this report is to recommend that the Panel approves the Statement of Accounts for 2016/17 including the adjustments recommended by the external auditors, which improve the overall accuracy, clarity, and consistency of the document

- 3.4 The Panel is also asked to approve the core statements and the supplementary notes; that is, the overall income and expenditure position, the balance sheet position including the movement in the levels of reserves (general and earmarked) and the cash flow analysis. It should be noted that the accounts are prepared in a nationally adopted format and provide evidence of the overall financial position of the Council. They do not however cover the future financial challenges faced by the Council, which are set out in the Medium Term Financial Strategy.
- 3.5 The Panel should also note that the preparation of the accounts this year has again been a demanding process. There have been substantial changes required to the format of the accounts in line with changes to the accounting requirements , introduced for the 2016/17 Accounts. This achievement would not have been possible without the hard work and professionalism of Council officers, together with a positive working relationship with colleagues from Grant Thornton.

4. RECOMMENDATION

- 4.1 As set out at the front of the report.