

AUDIT COMMITTEE

Date of Meeting	Wednesday 11 th July 2018
Report Subject	Draft Statement of Accounts 2017/18
Report Author	Corporate Finance Manager

EXECUTIVE SUMMARY

The report presents the draft Statement of Accounts 2017/18 attached at Appendix 1 (subject to audit) for Members information only at this stage.

RECOMMENDATIONS

1	Members note the draft Statement of Accounts 2017/18 (which includes the Annual Governance Statement approved by the Committee at its June 2018 meeting).
2	Members note the ability to discuss any aspect of the Statement of Accounts with Officers or the Wales Audit Office throughout July, August and September, prior to the final audited version being brought back to the Committee for their recommendation to Council for final approval on 12 th September 2018.

REPORT DETAILS

1.00	EXPLAINING THE STATEMENT OF ACCOUNTS
1.01	The Accounts and Audit (Wales) Regulations 2014 specify the statutory deadline for the approval of the draft accounts by the Responsible Finance Officer, being 30 th June. The Council's draft accounts are attached at Appendix 1 for Members information. They were signed by the Corporate Finance Manager on 15 th June 2018. The earlier date was to allow for a trial run as this date will be mandatory for the 2018/19 accounts. The draft accounts will now be audited. The statutory deadline for publishing the final

	<p>audited Statement of Accounts for 2017/18 approved by Council is the 30th September 2018. However, in line with the trial run to meet the earlier dates mandatory from 2018/19, it is the Council's intention to publish the accounts by 15th September 2018.</p>
1.02	<p>At the completion of the audit, Wales Audit Office (WAO) will provide a report and opinion on the accounts. Any required adjustment to the accounts as a result of the audit will be incorporated into the final Statement of Accounts. The final version of the Accounts will be presented to Audit Committee on the morning of 12th September 2018, and recommended to Council on the afternoon of the same day.</p>
1.03	<p>The Flintshire County Council Statement of Accounts have been prepared in accordance with the requirements of the 2017/18 Code of Practice on Local Authority Accounting – which is based on International Financial Reporting Standards (IFRS) and include:</p> <ul style="list-style-type: none"> • The core financial statements and notes comprising – expenditure and funding analysis, comprehensive income and expenditure statement, movement in reserves statement, balance sheet and cash flow statement. • The supplementary financial statements – the housing revenue account income and expenditure statement, movement in reserves statement and notes. • The group accounts – incorporating the financial accounts of North East Wales (NEW) Homes, Newydd Catering and Cleaning Ltd and Theatr Clwyd Productions Ltd with that of the Council's. • Annual Governance Statement
1.04	<p>In previous years the Clwyd Pension Fund accounts have also been included. However, under an amendment to the Accounts and Audit regulations, there is now no longer a requirement to include them in Flintshire's Statement of Accounts. The Clwyd Pension Fund accounts are considered as a separate item on the agenda.</p>
1.05	<p>The draft accounts includes the Annual Governance Statement which explains how the Council has complied with the Code of Corporate Governance and also meets the requirements of the Accounts and Audit (Wales) Regulations 2014. The Committee received a separate report on the Annual Governance Statement at its June 2018 meeting providing an opportunity for Member scrutiny before its inclusion within the draft accounts.</p>
1.06	<p>There were no significant revisions to the 2017/18 Code of Practice.</p>
1.07	<p>Members may discuss any aspect of the Statement of Accounts with Officers or the Wales Audit Office throughout July, August and September prior to the final audited version being brought back to the Committee for their recommendation to Council for final approval on 12th September 2018.</p>

2.00	RESOURCE IMPLICATIONS
2.01	Financial implications are as set out in the report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required and none undertaken.

4.00	RISK MANAGEMENT
4.01	<p>The main risk is the Council not being able to meet its statutory deadlines for producing the accounts. This is 30th June for draft accounts signed by the Responsible Finance Officer, which has already been met; and 30th September for publishing the final version of the accounts which has been externally audited, by the WAO in Flintshire's case. This year's accounts have been successfully prepared to an earlier deadline, 15th June, in preparation for this date becoming mandatory in 2018/19.</p> <p>Officers have already been working closely with the WAO in preparing for the financial audit and will continue to do so during July and August to resolve queries arising. Progress will continue to be overseen by the Accounts Governance Group, a group of senior officers including the Chief Executive, Monitoring Officer and Section 151 Officer.</p>

5.00	APPENDICES
5.01	Appendix 1. Draft Statement of Accounts 2017/18

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: Paul Vaughan, Interim Finance Manager Technical Accounting Telephone: 01352 702219 E-mail: paul.vaughan@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Financial Audit: The annual external audit of the Council's Statement of Accounts.</p> <p>Financial Year: the period of 12 months commencing on 1 April</p> <p>Material: A concept used to inform judgements regarding the accuracy of the Council's Statement of Accounts. The basis could be quantitative with an assigned value or qualitative and affected by issues that are legal,</p>

regulatory, or politically sensitive.

Statement of Accounts / Final Accounts / Financial Accounts or Statements: The Council's annual finance report providing details of the Council's financial performance and position at the end of the financial year. The format is prescribed to enable external comparison with other public and private entities.

Wales Audit Office: works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.