



## **SPECIAL MEETING OF COUNCIL – 31ST JULY 2017**

**SUBJECT: FINANCIAL STATEMENTS FOR 2016/17**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & SECTION 151 OFFICER**

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### **1. PURPOSE OF REPORT**

1.1 To present Council with the 2016/17 Financial Statements.

### **2. SUMMARY**

2.1 The report presents Council with the 2016/17 Financial Statements for formal approval.

### **3. LINKS TO STRATEGY**

3.1 The Financial Statements deal with resources available to the Authority that influence the delivery of policies and strategies.

3.2 Effective financial planning and robust budget management support the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -

- A prosperous Wales.
- A resilient Wales.
- A healthier Wales.
- A more equal Wales.
- A Wales of cohesive communities.
- A Wales of vibrant culture and thriving Welsh Language.
- A globally responsible Wales.

### **4. THE REPORT**

4.1 At its meeting on the 25th July 2017, the Audit Committee was presented with the External Auditor's ISA 260 Report on the audit of the 2016/17 Financial Statements. The ISA 260 report is attached as Appendix 1 and stated that it was the Auditor General's intention to issue an unqualified audit report on the 2016/17 Financial Statements based on the audit work completed to date.

4.2 Paragraph 12 of the Auditor's Report provides details of an uncorrected misstatement that is being looked into further by Officers. This relates to ongoing work on cash balances within the accounts and a balance of £629k held as a reconciling item within the bank reconciliation. This work will take some time to complete and Officers have agreed with the External Auditor that once the appropriate accounting adjustments have been agreed they will be actioned in the 2017/18 financial year. Furthermore, a report on the outcome of the ongoing work and

resulting adjustments will be presented to the Audit Committee at its meeting on the 12th September 2017.

- 4.3 Appendix 3 of the Auditor's Report provides details of misstatements identified during the audit process which have subsequently been corrected by management. It is important to stress that these adjustments have no impact on cash or General Fund balances.
- 4.4 The 2016/17 Financial Statements attached as Appendix 2 of this report incorporate all of the corrected misstatements identified in the Auditor's Report.
- 4.5 Appendix 4 of the Auditor's Report provides details of recommendations arising from the 2016/17 financial audit work along with the management responses.
- 4.6 Following consideration of the Auditor's Report and the 2016/17 Financial Statements the Audit Committee unanimously endorsed a recommendation to Council that the Financial Statements be approved.
- 4.7 At the time of writing this report the External Auditor was finalising testing in a small number of areas. If this testing results in changes to the Financial Statements then Council will be fully briefed at the meeting on the 31st July 2017.

## **5. WELL-BEING OF FUTURE GENERATIONS**

- 5.1 Effective financial planning and robust budget management are key elements in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

## **6. EQUALITIES IMPLICATIONS**

- 6.1 There are no equalities implications arising from this report.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 As identified throughout the report.

## **8. PERSONNEL IMPLICATIONS**

- 8.1 There are no direct personnel implications arising from this report.

## **9. CONSULTATIONS**

- 9.1 There are no consultation responses that have not been reflected in this report.

## **10. RECOMMENDATIONS**

- 10.1 Council is requested to approve the final audited 2016/17 Financial Statements.

## **11. REASONS FOR THE RECOMMENDATIONS**

- 11.1 To ensure that the 2016/17 Financial Statements are approved and submitted to the Wales Audit Office (WAO) in accordance with statutory requirements.

## **12. STATUTORY POWER**

### 12.1 Accounts and Audit (Wales) Regulations 2014.

Author: Stephen Harris, Interim Head of Corporate Finance  
Tel: 01443 863022 E-mail: harrisr@caerphilly.gov.uk

Consultees: Nicole Scammell, Acting Director of Corporate Services & S151 Officer  
Gail Williams, Interim Head of Legal Services & Monitoring Officer  
Andrew Southcombe, Finance Manager (Corporate Finance)

Background Papers:  
Working Papers for Financial Statements 2016/17  
Report to Audit Committee (25/07/17) – Financial Statements for 2016/17

Appendices:  
Appendix 1 Audit of Financial Statements Report (ISA 260)  
Appendix 2 Financial Statements 2016/17