



## COUNCIL - 19TH JULY 2016

**SUBJECT: FINAL CERTIFICATION OF ANNUAL ACCOUNTS (2012/13, 2013/14 AND 2014/15)**

**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 final certification of completion of audit for the annual accounts for the 2012/13, 2013/14 and 2014/15 financial years.

### 2. SUMMARY

2.1 This report presents Council with the final 'Auditor General for Wales Report to Members of Caerphilly County Borough Council' for 2012/13, 2013/14 and 2014/15. These reports form part of the annual Statement of Accounts and include the required certificate of completion of audit to formally close the accounts for these financial years.

2.2 Council is required to formally re-approve the annual accounts for each of the three financial years in light of the issuing of the final certificates of audit completion.

### 3. LINKS TO STRATEGY

3.1 The Statement of Accounts deals with resources available to the Authority that influence the delivery of policies and strategies.

### 4. THE REPORT

4.1 The Authority received an unqualified audit opinion in respect of its 2012/13, 2013/14 and 2014/15 annual accounts. There has been no change to this opinion.

4.2 The external auditor, in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit and Inspection Practice issued by the Auditor General for Wales, issues a certificate of completion of audit on the completion of the audit each year. However, no certificate of completion was issued for the 2012/13, 2013/14 and 2014/15 years of account when the audit opinion was initially signed off by the Auditor General.

4.3 Final audit certification of completion was not issued at the time for the following reasons: -

#### i) For the 2012/13 Financial Accounts

- The police investigation in respect of the decision of the senior remuneration panel in September 2012 had not been completed at the conclusion of the audit. The

Appointed Auditor would consider the outcome of this investigation when complete to determine whether any further audit action should be taken in respect of this matter.

- The audit of the 2012/13 financial statements identified further payments to senior officers in the form of the buy-out of Essential Car User and Additional Annual Leave Allowances which were considered to be unlawful. The Appointed Auditor was considering whether to issue a public interest report under Section 22 in respect of these payments.

#### **ii) For the 2013/14 Financial Accounts**

- The final certification could not be issued because court proceedings in respect of the decision by the senior remuneration panel in September 2012 had not been completed at the conclusion of the audit.

#### **iii) For the 2014/15 Financial Accounts**

- The final certification could not be issued because court proceedings in respect of the decision by the senior remuneration panel in September 2012 had not been completed at the conclusion of the audit.

4.4 A report in the public interest on the buy-out of the Chief Officer Essential Car User and Annual Leave Allowances was issued in December 2013 and court proceedings in respect of the decision by the senior remuneration panel in September 2012 were dismissed in October 2015. As a result, the Appointed Auditor has now issued final certificates of completion of audit for 2012/13, 2013/14 and 2014/15. The revised 'Auditor General for Wales' Reports to the Members of Caerphilly County Borough Council' are attached to this report as Appendices 1 to 3.

4.5 Council is now required to formally re-approve the annual accounts for each of the three financial years. The accounts remain as previously presented to and approved by Council with the only change being the inclusion of the final certificates of audit completion.

### **5. EQUALITIES IMPLICATIONS**

5.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified regarding this report; therefore a full EIA has not been carried out.

### **6. FINANCIAL IMPLICATIONS**

6.1 There are no direct financial implications arising from the content of this report.

### **7. PERSONNEL IMPLICATIONS**

7.1 There are no direct personnel implications arising from this report.

### **8. CONSULTATIONS**

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

## **9. RECOMMENDATIONS**

- 9.1 Council is asked to note the final certificates of audit completion for 2012/13, 2013/14 and 2014/15 and to formally re-approve the annual accounts for each of the three financial years.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To ensure that the audit of the years of account in question are certified as complete and finalised in accordance with statutory requirements.

## **11. STATUTORY POWER**

- 11.1 Accounts and Audit (Wales) Regulations 2014.

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Andrew Southcombe, Finance Manager, Corporate Finance  
Gail Williams, Interim Head of Legal Services/Monitoring Officer  
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### Background Papers:

Council 25/09/13 – Financial Accounts for the Year Ended 31<sup>st</sup> March 2013  
Council 08/10/13 – Late Amendments to the Financial Statements for the Year Ended 31<sup>st</sup> March 2013  
Council 29/09/14 – Financial Accounts 2013/14  
Council 29/09/15 – Financial Accounts 2014/15

### Appendices:

Appendix 1 Auditor General for Wales' Report to Members of Caerphilly County Borough Council 2012/13.  
Appendix 2 Auditor General for Wales' Report to Members of Caerphilly County Borough Council 2013/14.  
Appendix 3 Auditor General for Wales' Report to Members of Caerphilly County Borough Council 2014/15.