

Audit Committee

Report Title:	2015/2016 Statement of Accounts
Meeting Date:	28 September 2015
Lead Councillor(s):	Councillor Michael Bond
Local Councillor(s):	All
Director:	Geoff Dobson, Director of Resource Management
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Brief summary of report

1. On 17 June the Director of Resource Management (Section 151 Officer) approved the unaudited Statement of Accounts. A copy of the unaudited accounts has been available on the Council's website since that date.
2. As a result of the audit process, there have been some minor wording, disclosure and consistency changes to the notes to the accounts. No changes have been made to the Comprehensive Income and Expenditure Account, Movement in Reserves Statement, Balance Sheet or Cash-flow Statement.
3. The audit inspection period was not adequately displayed on the Council's website. This resulted in the audit inspection period being re-advertised. The inspection period will now end on 26 September.
4. There are no material changes to the Pension Fund Accounts. These accounts and report were received by the Pension Fund Committee at their meeting on 22 September.
5. This report presents the final 2015/16 Statement of Accounts for approval by the Committee. Once the accounts have been approved, the final version will be placed on the Council's website.

Action recommended

6. The Committee approves the Council's Audit Results Report – ISA 260 (International Standard on Auditing) (Appendix A).
7. The Committee approves the Suffolk Pension Fund's Audit Results Report (Appendix B).
8. The Director of Resource Management (Section 151 Officer) re-certifies the Statement of Accounts.
9. The Committee approves the Statement of Accounts.
10. The Chairman signs and dates the Statement of Accounts once approved.
11. The Chairman countersigns the letter of representation to Ernst & Young LLP that confirms the responsibilities and actions taken in completing the Statement of Accounts.

Reason for recommendation

12. To meet the requirement that the Audit Committee is presented with the issues raised by the audit and that the Council's audited annual accounts are published by 30 September.

Alternative options

13. If the Committee is unwilling to approve the accounts, then Ernst & Young LLP cannot issue an audit opinion, nor conclude the audit, as the Council has not met the statutory requirements of the Accounts and Audit regulations 2015. A letter of representation to Ernst & Young LLP would be required explaining the reason the Committee could not approve.

Who will be affected by this decision?

14. All councillors, officers and residents of Suffolk.

Main body of report

15. The Director of Resource Management approved the unaudited accounts on 17 June 2016. A copy of the unaudited accounts has been available on the Council's website since that date. A copy of the accounts was circulated to all members of the Committee for information and review in mid-August. An accounts training session was held with Councillors on 6 September, providing a high level overview of the accounts process and key statements.
16. A public notice was placed in the local newspaper and a notice of inspection statement placed on the Council's website to advise the people of Suffolk of their rights to inspect the accounts and question the auditor during the audit process. The inspection period covered the period 27 June to 5 August 2016. No contact or representation was made by the public during this period of notice.
17. However, as part of the audit, the auditors highlighted that the notice placed on the website was not in accordance with the Accounts and Audit Regulations 2015. A copy of the advert placed in the paper should have also been displayed.

18. The Council have re-advertised the audit inspection period on the website, resulting in the inspection period now ending on 26 September 2016. This revised period does not include the first ten days of July in accordance with the regulations which the original notice complied with.
19. The Accounts and Audit Regulations 2015 require the Section 151 Officer to re-certify the presentation of the Statement of Accounts before the relevant body (Audit Committee) approves it. The approval of the accounts and its publication are required to take place no later than the 30 September 2016. Once the accounts are approved they should be signed and dated by the Chairman, certifying the Committee's approval.
20. The Pension Fund Accounts form part of the Council's Statement of Accounts. The Pension Fund Accounts were presented and received by the Pension Fund Committee on 22 September. Any issues arising as a result of the Pension Fund audit have been addressed by this committee.
21. Ernst & Young LLP will present their findings in their Audit results report – ISA 260, and will identify any amendments made to the presented accounts and accepted, at that stage, by the Director of Resource Management. The Committee will need to consider the findings in the report before the Director of Resource Management and the Chairman of the Audit Committee approve and sign the amended accounts for publication.
22. Ernst & Young's report on the agenda outlines the findings as a result of the audit of Suffolk County Council and Suffolk Pension Fund Accounts. It is anticipated that an unqualified audit opinion will be issued by Ernst & Young on the Council's accounts and the Pension Fund statement of accounts for 2015/16.
23. The report for Suffolk County Council does not identify any errors or significant issues on the financial statements that require reporting to the Committee.
24. Ernst & Young identified a small number of amendments to disclosure notes to aid clarity and ensure consistency. The changes identified do not affect what the Council has actually spent.
25. In addition, on page 7 of their report the auditors raise the non compliance of the audit inspection period on the Council's website. The Council took the necessary action to rectify and re-advertised the inspection period.
26. The Audit Committee will be given a verbal update at the meeting on any additional matters that have been raised as part of the audit process and an updated audit results report presented.
27. Following the completion of the audit of Suffolk County Council and the Pension Fund accounts for 2015/16, both sets of accounts will be published on the Council's website.

Conclusion

28. This is the fourth year in which Ernst & Young LLP have audited the Council's accounts. This has been a successful and timely process, with quick resolution of audit queries which reflects well on the finance team and Ernst & Young staff completing the audit. Looking to future years when the accounts need to be signed off by the Audit Committee by 31 July, the Council in my opinion is well placed to meet these advanced reporting timetables.

Sources of further information

- a) The Accounts and Audit Regulations 2015 –
<http://www.legislation.gov.uk/uksi/2015/234/regulation/21/made>
- b) Ernst & Young Audit results reports – IAS 260 on 2015/16 Financial Statements and Suffolk Pension Fund audit results (on today's agenda)