

Full Council

Date:	20 June 2017
Title:	External Audit / Annual Return / End of Year Accounts 2016-17
Contact Officer:	Morag Robinson, Office Administration Manager

Purpose of Report

1. To provide relevant background to the Financial Statement (unaudited) for the year ending 31 March 2017 and the Annual Return (including the Annual Governance Statement) for 2016–17.

Background

2. Those who are responsible for the conduct of public business and for spending public money are accountable for ensuring that public business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
3. In discharging this accountability, public bodies (both members and officers) are responsible for putting in place proper arrangements for the governance of their affairs and the stewardship of the resources at their disposal.
4. As a safeguard to ensure the proper discharge of this accountability, external auditors in the public sector give an independent opinion on public bodies' financial statements.
5. They may also review, and report on, aspects of public bodies' arrangements to ensure the proper conduct of their financial affairs and to manage their performance and use of resources.
6. Along with other local councils, Thame Town Council is required to submit an Annual Return to an Audit Commission-appointed external auditor, which is part of the "limited assurance" regime, since it has a gross income or expenditure of less than £6.5m per annum.

Annual Governance Statement 2016-17 (Appendix 1)

7. It is a requirement of Accounts and Audit Regulations for the Town Council to separately approve the Annual Governance Statement (Section 1 / page 2 of the Annual Return) in advance of approving the Accounting Statements. The Town Council is responsible for ensuring that there is a sound system of internal control which includes the preparation of the accounting statements. The Annual Governance Statement is attached as Appendix 1. It is officers' firm view that Questions 1-8 can be answered as Yes, with Question 9 being not applicable.

Financial Statement (Unaudited) Year Ending 31 March 2017 (Appendix 2)

8. To complete the Accounting Statements within the Annual Return, the Financial Statement for the year ending 31 March 2017 has to be prepared.
9. The Financial Statement (unaudited) for the year ending 31 March 2017 has been prepared by Derek Kemp of DCK Beavers in conjunction with the Town Clerk. The Financial Statement is attached as Appendix 2.
10. In 2016, as reported to Council on 15 November 2016, BDO Stoy Hayward pointed out that this was not a legal requirement, that the Financial Statement is unaudited and that BDO Stoy Hayward have no responsibility for auditing it. Some minor changes have been made to this year's Financial Statement to reflect that.
11. The Financial Statement does however provide a fuller explanation of the End of Year accounts and movements in reserves, so has value. It shows that there was a surplus for the year, resulting in an increase in General Reserves of £39,173. The Town Clerk has reviewed the 2016-17 accounts in detail, against the budget and there is no particular variance of note.

Accounting Statements within the Annual Return 2016-2017 (Appendix 4)

12. The figures within the Accounting Statements (attached as Appendix 4 – Section 2 / Page 3 of the Annual Return) are established from the Financial Statement via the Annual Return Working Paper (Appendix 3).

Legal Powers: Accounts and Audit Regulations 2015

Recommendation that:

- i) The Annual Governance Statement for 2016-17 be approved*
- ii) The Financial Statement (unaudited) for the year ending 31 March 2017 be received*
- iii) The Accounting Statements for 2016-2017 be approved*