

**NORTH YORKSHIRE COUNTY COUNCIL****AUDIT COMMITTEE****29 September 2016****Review of Statement of Final Accounts (incorporating Annual Governance Statement)****Report from Audit Committee Members Working Group****1.0 Purpose of the Report**

1.1 To advise members of the Audit Committee on:

- i. Issues identified by the Members Working Group in reviewing the draft Statements of Final Accounts (SoFA) and the draft Annual Governance Statement (AGS);
- ii. Actions taken as a result of issues being identified;
- iii. Offering an opinion on the draft SoFA and draft AGS for 2015/16 in advance of the Audit Committee being asked to approve them.

**2.0 Background**

- 2.1 On 23 June 2016 the Audit Committee considered a report which provided an overview on Corporate Governance. This included a draft Annual Governance Statement (AGS) and a full suite of draft Statements of Assurance from each of the Corporate Directors and one for the whole County Council. A number of issues were identified at that meeting and it was agreed that a Members Working Group be convened to give detailed consideration to the draft AGS and that a report would be presented to the full Audit Committee on 29 September 2016.
- 2.2 The Members Working Group was agreed as consisting of the Chairman of the Audit Committee, Councillor Helen Grant and Mr David Portlock.
- 2.3 On 14 July 2016 the Audit Committee considered the draft Statements of Final Accounts (SoFA) for 2015/16. Again, a number of issues were identified at the meeting and it was agreed that they would be pursued outside of the meeting and fed into the review by the Members Working Group.
- 2.4 This report provides a summary of the Members Working Group review of the SoFA for 2015/16 which incorporates the AGS. Wider information has been used in order to form the views contained in this report, notably the

Directorate Statements of Assurance which have fed into the AGS together with associated working papers relating to the production of the draft SoFA.

### **3.0 Key Areas Identified**

- 3.1 To assist the Audit Committee's understanding, the Members Working Group comments separately on the AGS and the SoFA for 2015/16, whilst recognising that both ultimately feature in the same document. This section also identifies the action that has taken place and / or will take place.

#### Annual Governance Statement 2015/16

1. Issue – a number of areas identified in the draft Directorate Statements of Assurance required update to provide specific actions and completion dates rather than statements of intention. It was felt that the early drafts were not as SMART as could or should be the case.

Action taken – Statements of Assurance have been further reviewed and revised where appropriate. Actions have been improved to make them SMARTer but some areas will require more precision when reporting on subsequent actions at directorate themed reports.

2. Issue – a number of suggestions and observations were provided in respect of the Annual Governance Statement.

Action taken – the suggestions and observations have been taken into account through minor amendments to the Annual Governance Statement where appropriate, together with the completion of section 7.3.

#### Statements of Final Accounts 2015/16

1. Issue – a number of detailed questions were submitted and explanations were provided.

Action taken – explanations provided and no further action required.

2. Issue – An inconsistency in reporting of the Loans to Subsidiary Companies and Other Organisations within the Statement of Accounts was identified within the Long Term Debtors and Financial Instruments Notes to the Accounts.

Action taken – The Statement of Accounts has been amended to ensure the corrected position. The loan facility to NYnet increased during 2015/16 by £2.1m during to £7.3m. The Long Terms Debtors (Note 32 on page 83)

and Financial Instruments (Note 44 on page 100) have been amended to consistently report this position.

3. Issue – "Risks and Uncertainties" identified in the Narrative Statement within the Statement of Accounts should, where appropriate, be reflected in the Directorate Statements of Assurance and the Annual Governance Statement.

Action taken – amendments have been made to the "Risks and Uncertainties" section of the Narrative Statement in order to align with the Annual Governance Statement.

4. Issues - a number of typos / simple errors were identified.

Action taken – these have now been corrected and are incorporated within the SoFA presented to the Audit Committee on this agenda.

**4.0 Conclusions of the Member Working Group regarding the Statements of Account and the Annual Governance Statement for 2015/16**

- 4.1 The Members Working Group is satisfied that all appropriate actions have been taken and satisfactory explanations have been provided where required.
- 4.2 No further issues have been identified up to the date of this report. However, it should be noted that the Members Working Group has not been made aware of the finalised position on the findings of the County Council's External Auditors.
- 4.3 Subject to the above, the Members Working Group recommends to the Audit Committee that the Statements of Final Accounts and the Annual Governance Statement for 2015/16 are approved.

Members Working Group  
19 September 2016