

NORTH YORKSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

7 September 2017

**Report following the detailed review of the draft Statement of Final Accounts
(incorporating Annual Governance Statement) for 2016/17****1.0 Purpose of the Report**

- 1.1 To advise members of the Audit Committee on:
- i. Issues identified during the detailed review of the draft Statements of Final Accounts (SoFA) and the draft Annual Governance Statement (AGS) for 2016/17;
 - ii. Actions taken as a result of issues being identified;
 - iii. Offering an opinion on the draft SoFA and draft AGS for 2016/17 in advance of the Audit Committee being asked to approve them.

2.0 Background

- 2.1 On 22 June 2017 the Audit Committee considered a report which provided a draft Statement of Final Accounts (SOFA) for 2016/17. This included a draft Annual Governance Statement (AGS) for 2016/17. In order to fulfil its responsibilities, the Audit Committee needs to be able to satisfy itself that the SOFA properly reflects the financial position of the Council and the governance and internal control processes described in the AGS are in fact both operational and effective.
- 2.2 It was agreed that a Members Working Group be convened to give detailed consideration of the draft SOFA/AGS and that a report would be presented to the full Audit Committee on 7 September 2017. However, due to changes within the Audit Committee and shortened timescales to finalise the SOFA and AGS, Mr David Portlock (External Member) volunteered to undertake the review himself as the sole member of the working group.
- 2.4 This report provides a summary of the detailed review of the SOFA for 2016/17 which incorporate the AGS.

3.0 Key Areas Identified

- 3.1 To assist the Audit Committee's understanding, comments are provided separately on the AGS and the SOFA for 2016/17, 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 2016/17

1. 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, including section 7.3.

Statements of Final Accounts 2016/17

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

Action taken – explanations provided and no further action required.

2. Issue – a number of sub-headings and supporting narrative within statements were reviewed

Action taken – these have now been updated to provide greater clarity within the accounts.

3. 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 Mr David Portlock regarding the Statements of Account and the Annual Governance Statement for 2016/17

- 4.1 I am 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 I have not been made aware of the finalised position on the findings of the County Council's External Auditors.
- 4.3 Subject to the above, I recommend to the Audit Committee that the Statements of Final Accounts and the Annual Governance Statement for 2016/17 are approved.

David Portlock
29 August 2017