



Statement of Accounts 2016/17 (Final Version following Audit)

Audit Committee

27th September 2017

To be Covered

- » Progress Update Since July
- » Accounts Governance Group
- » The Council's Accounts
 - » Progress in addressing prior year issues
 - » Unadjusted Misstatement
 - » Adjustments to Draft Statement of Accounts
- » Clwyd Pension Fund Accounts
 - » Progress in addressing prior year issues
 - » Adjustments to Draft Statement of Accounts
 - » Feedback from Clwyd Pension Fund Committee
- » WAO

Progress Update Since July

CFO approves draft accounts	30 th June
Audit Committee considers draft (approval not required at this stage)	19 th July
External audit commenced	1 st July
Accounts Available for Public Inspection	3 rd – 31 st July
Member 'Drop In' Sessions	4 th Sept 10am 7 th Sept 2pm
Clwyd Pension Fund Committee considers Pension Fund Accounts	20 th September
External audit report findings to those charged with governance and issue opinion (Audit Committee and Council)	27 th September
Final audited SofA approved by Audit Committee (AM) Council (PM)	27 th September
Opinion signed by Auditor General	September
Audited SofA published	30 th September

Accounts Governance Group

- » Group of senior officers established to oversee and support the production of the Statement of Accounts at a strategic level.
- » Group has been very effective, resulting in positive benefits including:
 - » Ability to raise issues for escalation and resolution at an early stage
 - » Raising awareness of, and increasing collective responsibility for, the Statement of Accounts
- » Group have continued to meet through the audit period with WAO representation

Progress in Addressing Prior Year Issues

- » Valuation method used to revalue Council Houses - issue related to finding an appropriate valuation method in 2015/16 for use within the accounts only, (no operational impact). Satisfactory method adopted for 2015/16 and future years therefore not an issue for 2016/17.
- » Investigations into the Council's potential liabilities at former waste disposal sites – considerable amount of investigations required given Council's industrial past which are resource intensive, however positive progress made in year.
- » Accuracy of pension records within the Pension Fund – working closely with employers and prioritising resources to address

Council – Uncorrected misstatement

- » As with all organisations inevitably some errors have been found.
- » Each error reviewed and considered by the Accounts Governance Group for:
 - » Materiality – impact on the reader of the SofA
 - » View of the auditor
 - » Complexity and efficiency in amending
- » 1 error unadjusted for within SofA. Relates to unwinding of discount applied in estimating future costs associated with aftercare costs of a former landfill site. Value £387k.

Council – Schedule of Amendments

Issue	Impact
Transactions between the Council and Theatr Clwyd Productions Ltd were omitted.	Increased net expenditure within CI&Es by £198k, earmarked reserves on Balance Sheet and associated notes.
Proceeds from short term investments were shown as a cash outflow rather than a cash inflow.	Amendments to Cash Flow Statement and associated notes of £6,000k.
The old Holywell High School asset which was demolished during the year was included within the SofA with a net book value of nil, but with gross book values.	Adjustment to Note 9 – Property, Plant and Equipment. Derecognise Gross Book Value and Impairment of £4,874k

Council – Schedule of Amendments

Issue	Impact
The judgement on the nursing care case at the supreme court was received in August 2017.	The wording within Note 36 - Contingent Liabilities has been updated.
Error in 2015/16 in classifying National Domestic Rates balances.	Increase Creditors and Debtors in 2015/16 Balance Sheet by £2,580k.
Figures for the GWE joint arrangement were not available when the draft accounts were produced.	Include GWE figures within Note 34 – Joint Arrangements.
Minor errors, typos and presentational issues.	Various statements and notes.

Clwyd Pension Fund - Progress in Addressing Prior Year Issues

- » Accuracy of pension records - Good progress has been made in updating membership records, working with employer bodies and establishing an Employer Liaison Team to work with employers.
- » Monthly reconciliations of lump sums and death grants identified differences that had not been fully explained or corrected – Improvements have been made and differences for 2016/17 have been rectified.

Clwyd Pension Fund – Schedule of Amendments

Issue	Impact
Expenses were incorrectly categorised and Fund Manager fees were understated – both were below materiality	Adjustment to Note 3 – Expenses. Manager fees increased and expenses re categorised in order to show complete transparency as these are subject to national scrutiny.
Updated valuations received after closure of the accounts resulted in understatement of valuations.	Note 5, Transactions and Return on Investments adjusted to reflect the most up to date position.

Clwyd Pension Fund – Feedback from Committee

- » The Pension Fund Committee received a detailed presentation explaining the Pension Fund accounts at its meeting on 20th September 2017.
- » Wales Audit Office were in attendance at the Committee to present their report and their findings.
- » The Committee scrutinised the Pension Fund accounts before endorsing them with no issues to draw to the Audit Committee's attention.