

**ARRANGMENTS FOR DEALING WITH THE STATEMENT OF ACCOUNTS**

Relevant Portfolio Holder	Councillor G Denaro
Portfolio Holder Consulted	Yes
Relevant Head of Service	Claire Felton, Head of Legal, Equalities & Democratic Services
Wards Affected	All Wards
Ward Councillor Consulted	N/A
Non-Key Decision	

**1. SUMMARY OF PROPOSALS**

- 1.1 Members are asked to approve the proposed arrangements for dealing with the Statement of Accounts and Audit Findings for implementation with immediate effect.

**2. RECOMMENDATIONS**

- 2.1 **That the Statement of Accounts and Audit Findings reports be considered each year by the Audit, Standards and Governance Committee, with recommendations on to the Council;**
- 2.2 **That when considering these reports the Committee invites all Councillors to attend;**
- 2.3 **That if recommendation 2.1 is agreed, the Cabinet meeting scheduled for 21<sup>st</sup> September 2016 (immediately before the Council meeting) is cancelled;**
- 2.4 **That if the above recommendations are agreed, the Head of Legal, Equalities and Democratic Services be authorised to update the constitution accordingly.**

**Financial Implications**

- 3.1 There are no direct financial implications arising from this report. There would be marginal savings by not holding the extraordinary Cabinet meeting immediately prior to the Council meeting in September.

**Legal Implications**

- 3.2 The Audit Commission Act 1998 requires the Council to respond formally to the audit findings report. The Accounts and Audit Regulations 2011 require the Council to comply with statutory accounting legislation.

**Service / Operational Implications**

- 3.3 The Constitution Working Group met recently and was chaired by Councillor Kit Taylor in the absence of the Leader. It considered a number of items which are likely to be the subject of future reports to the Council.
- 3.4 One item it discussed was the mechanism for bringing the Statement of Accounts and the Audit Findings to the Council. Currently an extraordinary meeting of the Cabinet is held immediately prior to the Council meeting in the second half of September to consider the Statement of Accounts. Representatives from the External Auditors attend the Cabinet meeting to present their findings and answer questions. Recommendations are then made to the Council meeting.
- 3.5 The Working Group discussed whether the Audit, Standards and Governance Committee would be a more appropriate forum to consider both documents. It considered that it was, given its role in providing independent assurance to the Council about its financial processes.
- 3.6 The Group also discussed recommending that the responsibility for receiving the reports should be delegated by Council to the Committee. However, given the importance of the documents to the governance framework of the Council, it decided not to make this recommendation. Members suggested that when the Committee considered the Statement of Accounts, it should invite all councillors to attend the meeting so that they can ask questions of detail when the external auditors are present.
- 3.7 In summary then, the Working Group is recommending that responsibility for receiving the external auditors' reports on the Statement of Accounts and Audit Findings is retained by the full Council. However, the responsibility for considering these in detail be placed with the Audit, Standards and Governance Committee instead of the Cabinet, with an invitation to all councillors to attend the relevant Committee meeting.
- 3.8 The Group proposes that the changes come into effect immediately. If agreed by Council, this will mean that the Statement of Accounts will be considered by the Audit, Standards and Governance Committee at its

meeting on 15<sup>th</sup> September with any recommendations through to Council on 21<sup>st</sup> September. The extraordinary Cabinet meeting planned for 21<sup>st</sup> September will be cancelled.

**Customer / Equalities and Diversity Implications**

3.9 No implications have been identified.

**4. RISK MANAGEMENT**

4.1 There are no significant risks associated with this item.

**5. APPENDICES**

None

**6. BACKGROUND PAPERS**

None

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