

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT OF THE TREASURER

CATALOGUE SUPPLIES SERVICE JOINT COMMITTEE

THURSDAY 24 SEPTEMBER 2015

AUDITED STATEMENT OF ACCOUNTS 2014-2015

1. Purpose of the Report

- 1.1 The purpose of this report is to present the Joint Committee's Statement of Accounts for the financial year ended 31 March 2015; which is now due to be signed off by our external auditors KPMG, and to receive the external auditor's Report to those Charged with Governance.

2. Connection to Corporate Improvement Objectives / Other Corporate Priority

- 2.1 None.

3. Background

- 3.1 The Accounts and Audit (Wales) Regulations 2014 require that the Joint Committee approves the audited Statement of Accounts by 30 September. The format and content of the statement is governed by those Regulations and the accounts for 2014-15 have been produced in line with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) for 2014.
- 3.2 The (unaudited) Statement of Accounts was reported to the Joint Committee on the 25 June 2015.
- 3.3 The (unaudited) Statement of Accounts were placed on public deposit and were subject to audit by KPMG, the auditors appointed for the Joint Committee by the Wales Audit Office.

4. Current Situation /Proposal

- 4.1 KPMG, our external auditors, have carried out their audit of the 2014-15 Statement of Accounts and have not made any financial amendments

other than some suggested minor presentational adjustments. The surplus for the year remains at £301,000 with total reserves of £1.306 million which includes an accumulated surplus of £1.216 million as at 31 March 2015. The revised Statement of Accounts is attached as **Appendix 1**.

4.2 The mutual responsibilities of auditor and the audited body are expressed in the two other appended documents. Auditing standards require our auditors to obtain representation from the Committee on certain matters material to their opinion. The **Letter of Representation**, which is attached as **Appendix 2**, confirms to the best of one's knowledge and belief, having made appropriate enquiries of other officers of the Catalogue Supplies Joint Committee, certain assurances to the auditors regarding the financial statements for Catalogue Supplies Joint Committee for the year ended 31 March 2015.

4.3 The auditors have prepared an "Audit of Financial Statements Report for 2014-15", which appears as **Appendix 3**. It summarises the key issues identified during the consideration of the Statement of Accounts and Annual Governance Statement.

4.4 The auditors identified two internal control weaknesses during the audit in respect of the stock count control process. The auditors have recommended that checks should be put in place to ensure that stock balances are updated accurately with the results of the stock count. They have also recommended that the auditors should be made aware of the process including any recounts so that timely attendance can be arranged to count the final agreed stock count balances. Working practices have been amended by the County Supplies Business Operations Manager to incorporate these recommendations.

5. **Effect upon Policy Framework and Procedure Rules**

5.1 There is no impact on the Policy Framework and Procedure Rules.

6. **Equality Impact Assessment**

6.1 There are no equality implications arising from this report.

7. **Financial Implications**

7.1 These are reflected in the report and attached Statement of Accounts.

8. **Recommendation:**

8.1 It is recommended that the Joint Committee:

- Approve the audited Statement of Accounts for 2014-15 (Appendix 1)

- Note and agree the Letter of Representation to be provided to KPMG and the Wales Audit Office(Appendix 2)
- Note the auditors' Audit of Financial Statements Report for 2014-15 (Appendix 3)

**NESS YOUNG, CPFA
CORPORATE DIRECTOR RESOURCES, S151 OFFICER
BRIDGEND COUNTY BOROUGH COUNCIL
TREASURER TO THE CATALOGUE SUPPLIES SERVICE JOINT
COMMITTEE**

24 SEPTEMBER 2015

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Background Papers: Report of the Treasurer
Statement of Accounts 2014-2015
Catalogue Supplies Service Joint Committee
25 June 2015