

7. STATEMENT OF ACCOUNTS 2016-17 (A.137/21/PN)

Purpose of the Report

1. To seek approval for the audited Statement of Accounts for 2016-17. Members are asked to note a number of significant changes in the presentation of the Accounts in paragraph 5 below.

Recommendations

2. **1. That the audited Statement of Accounts for 2016-17 as attached at Appendix 1 be approved and that the amendments made to the draft accounts itemised in Appendix 2 be noted.**
2. That £34,000 be added to the one-off sums already delegated by the Authority in May 2016 (Minute 20/16) to the Leadership Team, working with the Chief Finance Officer, as explained in paragraph 6 of the report.

How does this contribute to our policies and legal obligations?

3. The Accounts and Audit Regulations Section 9 2015 requires the Statement of Accounts to be approved by Members by 30 September of each year. Members have had access to a copy of the draft accounts which were signed and authorised for issue, as required by the Regulations, by the Chief Finance Officer on the 25th May. Our external auditors have brought forward their audit into July in order to help prepare for the revised timescales for completion of their audit opinion which will apply from the 2017/18 accounts year; therefore this report has been prepared on the strength of preliminary audit findings and any further updates will be tabled at committee.
4. Section 9 (3) a of the Accounts and Audit Regulations 2015 also requires “that the responsible financial officer for a Category 1 authority must re-confirm on behalf of that Authority that they are satisfied that the statement of accounts presents a true and fair view of—
(a) the financial position of the authority at the end of the financial year to which it relates; and
(b) that authority’s income and expenditure for that financial year.”

The Chief Finance Officer re-confirms that the Statement of Accounts in Appendix 1 meets the above requirement.

Proposals

5. The presentation of the Statement of Accounts has changed following the Chartered Institute of Public Finance and Accountancy’s (CIPFA) consultations on “Telling the Story”, seeking to make Local Authority accounts more understandable to users. There is a new primary statement, the Expenditure and Funding Analysis, which attempts to present more clearly the impact of the year’s activities on cash reserve balances, which is an important focus of Local Authority users. This new statement is reconciled to the Comprehensive Income and Expenditure Statement (CIES), which is drawn up on the basis required by International Financial Reporting Standards. The CIES is also presented in the form in which the management accounts are reported internally, based around the 8 functional headings required by our main funding body, the Department for Environment, Food and Rural Affairs (Defra) – the principal

change being that Corporate Management and Support Service recharges are no longer presented on the face of the Statement. As a result the 2015/16 accounts have been amended to show comparative figures drawn up on the same basis.

6. The position on over and underspending was reported to the Audit, Resource and Performance Committee on 19th May, and the final audited accounts reflect that position, with a number of changes following final reserve, revenue and capital financing adjustments.

Reserve	May Outturn	Final Accounts	Variance plus (minus)	Comments
General Fund	669,578	647,851	(21,727)	Principally the effect of a higher Minimum Revenue Provision figure reducing the Capital Financing Requirement, than anticipated.
Capital Reserve	1,188,163	1,188,163	0	-
Specific Reserves	3,326,866	3,326,866	0	-
Restricted Funds	208,159	208,159	0	-
Total	5,392,766	5,371,039	(21,727)	See above.

In the outturn statement – key issues - it was anticipated that a final figure could be released and be added to the investment allocations delegated to the Chief Executive, of between £40,000 and £50,000. The actual sum now confirmed and available for adding to the investment allocation is £34,000.

Audit of the Accounts

7. The audit has been completed and the audit opinion is included in the Statement of Accounts. The audit report is a separate agenda item. Appendix 2 of this report lists the amendments made to the draft Accounts following audit recommendations, and these amendments are all incorporated into the final version.

Are there any corporate implications members should be concerned about?

8. **Financial:**

The financial position was explained in the outturn report to Audit Resources and Performance Committee on the 19th May and the Statement of Accounts contains explanations and commentary as required by the Code of Accounting Practice. The final adjustments to reserves do not affect any of the advice or conclusions reached in the outturn report.

9. **Risk Management:** Not applicable
10. **Sustainability:** Not applicable
11. **Background Papers** (not previously published) - None

Appendices

Appendix 1 – Statement of Accounts for Financial Year 1 April 2016 – 31 March 2017

Appendix 2 – Amendments to Draft Accounts

12. **Report Author, Job Title and Publication Date**

Philip Naylor, Chief Finance Officer, 13 July 2017