

Audit Committee

23 September 2016



Report of: Interim Service Director: Finance

Title: **Statement of Accounts Year Ended 31 March 2016**

Ward: City Wide

Officer Presenting Report: Annabel Scholes, Service Director: Finance

Contact Telephone Number: 0117 92 22419

Recommendation

The Audit Committee approve the statement of Accounts for the year ended 31 March 2016'

Summary

The Statement of Accounts sets out the Council's financial position at 31 March 2016 and a summary of its income and expenditure for the year to 31 March 2016. The financial statements are the main method of demonstrating financial accountability and stewardship.

The significant issues in the report are:

The Audit identified a number of minor changes which have been agreed and incorporated into the revised Statement of Accounts attached at Appendix 1. There are no significant changes to the accounts to bring to the Committee's attention.

The Auditors have received an objection relating to LOBO's (Lender Option Borrower Option) taken out by the Council in 2005 and 2010. The Auditor has not identified any immediate issues of concern but are awaiting further guidance from the National Audit Office. A further update will be provided at the Committee.



Policy

There are no policy implications as a direct result of this report.

Consultation

1. Internal

Strategic Directors, Service Directors and the finance team.

2. External

The draft accounts were available for public inspection

Background and Context

1. The Council's Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the Code), which is based on International Financial Reporting Standards (IFRS) and the Service Reporting Code of Practice (SERCOP) 2015/16. This is necessary to ensure that the accounts of all Government funded bodies provide comparable and consistent information.
2. Consequently the Accounts are a complex and technical document. The Narrative Report at Pages 1 to 18 of the Statement aims to provide a general guide to the items of interest and highlight some of the more significant matters that have determined the position for the financial year ending 31 March 2016.
3. The External Auditors, BDO, are now nearing the completion of the audit and expect to be able to issue an unqualified opinion in respect of the financial statements and confirm that they are free from material error. Prior to approving the Accounts, the Auditor requires that the Audit Committee considers the matters raised in his Annual Governance Report for 2015/16.
4. The Audit identified a number of minor changes which have been agreed and incorporated into the revised Statement of Accounts attached at Appendix 1.
5. The Auditors have received an objection from a local elector relating to LOBO's (Lender Option Borrower Option) taken out by the Council in 2005 and 2010. The Auditor has not identified any immediate issues of concern. As this has now become a national issue we are awaiting further guidance from the National Audit Office.
6. Attached at appendix 2 is the Letter of Representation. This is provided by the Council in connection with the audit of the financial statements for the purpose of

expressing an opinion as to whether the financial statements give a true and fair view in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 and applicable law.

7. The External Auditor also proposes issuing an unqualified conclusion in respect of the value for money judgement, stating the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Other Options Considered

Not applicable

Risk Assessment

6. The statutory accounts need to be formally published within the statutory timescale. This report, together with the Annual Governance Report, forms part of the assurance process.

Public Sector Equality Duties

None necessary for this report

Legal and Resource Implications

Legal

Not applicable to this report

Financial

(a) Revenue

Set out within the report

(b) Capital

Set out within the report

Land

Not applicable

Personnel

Not Applicable

Appendices:

Appendix 1 – Statement of Accounts 2015/16

Appendix 2 – Letter of Representation

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers:

Final Accounts working papers held in Corporate Finance