

14 June 2016		ITEM: 8
Standards and Audit Committee		
Financial Statements and Annual Governance Statement Update		
Wards and communities affected: All	Key Decision: Non - Key	
Report of: Sean Clark, Director of Finance and IT		
Accountable Head of Service: N/A		
Accountable Director: Lyn Carpenter, Chief Executive		
This report is Public		

Executive Summary

This report is for noting: The 2015/16 Financial Statement and Annual Governance Statement will be submitted by the statutory deadline of 30 June 2016 and the external audit will commence in July 2016. The results of the audit will be reported back to this committee in September.

Officers will circulate the Financial Statement and Annual Governance Statement for members to review the documents prior to the committee meeting in September. The Statements will then be approved by the committee following this meeting.

1. Recommendation(s)

1.1 That members note the Draft Annual Governance Statement and Financial Statements are in the process of being completed in advance of the statutory deadlines in place.

2. Introduction and Background

2.1 The Financial Statements has been completed in accordance with statutory deadlines and reflect the requirements of the CIPFA/LASAAC Code of Practise on Local Authority Accounting (The Code).

2.2 The council has maintained the general fund balance at £8m in 2015/16. The Council has funded the financial pressures arising from the termination of the contract with the strategic services partner and the overspends in Childrens Services from useable reserves.

- 2.3 In 2014/15 there was one uncorrected items relating a capital invoice received after the year-end which should have been reflected in 2015/16. While this was not material to the Council this has been accounted for in 2015/16 and forms part of the fixed assets of the Council.
- 2.4 The Council is preparing for the upcoming audit and has liaised with the auditors to discuss any issues arising in advance for the audit. Their interim audit work is substantially complete with no significant issues highlighted to date. Similarly the audit of the IT systems is largely complete and no issues have been highlighted to date.
- 2.5 The Annual Governance Statement requires approval by the committee under the Accounts and Audit Regulations 2011. It is noted as good practice by CIPFA to complete this before the approval of the Financial Statements. Consequently the final statement will be approved at the same meeting in September.
- 2.6 The Annual Governance Statement reflects the continuous improvement made by the Council in resolving governance issues. The actions identified in the 2014/15 Statement have been reviewed and addressed within the year where possible. The governance framework remains sound and continues to support the delivery of priorities in the borough.

3. Issues, Options and Analysis of Options

- 3.1 There are no issues arising from this report. The Financial Statements and Annual Governance Statement have been submitted for audit and the committee will receive a report back in September, accompanied by a report by Ernst and Young.

4. Reasons for Recommendation

- 4.1 For the committee to note the completion of both statements

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 All services and senior management have been consulted in the compilation of both documents.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The level of resources and how they are allocated will affect the amounts available towards the Council's overall aims and objectives.

7. Implications

7.1 Financial

Implications verified by: **Sean Clark**
Head of Corporate Finance

The statements are largely governed by the code. Apart from reporting the Council's financial position as at 31 March 2015, there are no financial implications arising directly from this report.

7.2 **Legal**

Implications verified by: **Paul Feild**
Senior Corporate Governance Lawyer

There are no legal implications from this report.

7.3 **Diversity and Equality**

Implications verified by: **Natalie Warren**
**Community Development and Equalities
Manager**

There are no diversity and equality implications from this report.

7.4 **Other implications** (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

There are no other implications from this report.

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- There are detailed working papers to support the financial accounts in Corporate Finance.
- The Annual Governance Statement draws on a range of documents from around the Council.

9. **Appendices to the report**

- There are no appendices to this report

Report Author:

Sean Clark
Head of Corporate Finance

Corporate Finance