

<b>SUBJECT:</b>	<b>STATEMENT OF ACCOUNTS 2016-17</b>
<b>MEETING:</b>	<b>Council</b>
<b>DATE:</b>	<b>21st September 2017</b>
<b>DIVISIONS/WARD AFFECTED:</b>	<b>All Authority</b>

**1. PURPOSE:**

- 1.1 Regulation requires Council to consider and sign off the Council's Statement of Accounts before publication deadline of 30<sup>th</sup> September. The report has been considered by the Council's Audit Committee and is provided to Council with their collective endorsement.

**2. RECOMMENDATIONS:**

- 2.1 That the final draft Monmouthshire County Council Statement of Accounts for 2016-17 (Appendix 1), be accepted as a True and Fair view of the Council's Statement of Accounts.

**3. KEY ISSUES**

- 3.1 Under current legislation, the accounts preparation process, prior to audit, has to be concluded each year by 30<sup>th</sup> June. Council approval of the accounts follows the audit process which must be completed by 30<sup>th</sup> September.
- 3.2 These accounts were prepared circa 3 weeks ahead of deadline. The Council needs to take a further week out of the process within the next 4 years as the preparations deadlines are moving to May 31<sup>st</sup> in respect of 2020/21 Accounts. Auditors have a similar challenge to take a month out of the process their side given a future publishing deadline of 31<sup>st</sup> July being introduced at same juncture.
- 3.3 The Statement of Accounts, shown in Appendix 1, is a highly technical document and its form and content are heavily regulated. In complying with these Standards, the accounts can be highly technical and do not always make easy reading. The main regulations come through the:
- Code of Practice on Local Authority Accounting in the United Kingdom 2016-17
  - Supported by International Financial Reporting Standards (IFRS).
  - Service Reporting Code of Practice 2016-17
- 3.5 The formal Statement of Accounts includes the following prescribed reporting focus,
- Annual Governance Statement
  - Income & Expenditure Statement
  - Balance Sheet
  - Cashflow Statement

- Movement in Reserves Statement

- 3.6 The Income and Expenditure Statement largely reflects the periodic monitoring report at outturn, however there are some additional aspects that appear in the formal Accounting Statements e.g. depreciation, amortisation, impairment and internal recharges.
- 3.7 There are a couple of changes included in this year's guidance that seeks to better standardise Statement of Accounts with the Authority's in year management reporting. For 2017-18 onwards, management is considering the pros and cons of making the periodic reporting more complex, or refining and simplifying the Statement of Accounts.
- 3.8 Members may recall the monitoring report identified a slight surplus of £884,000 on the Council Fund reported at year end (less than 0.6% variance against the net budget before financing). This net under spend mainly resulted from underspends in treasury activities, improved recovery on council tax, underspends in Resources and Chief Executive Directorates offsetting a net over spend of Social Care & Health, Children and Young People, Corporate and Enterprise Directorates.
- 3.9 2016-17 saw significant cost pressures within the service budgets, which are expected to continue into 2017-18. Members and Officers will therefore need to ensure that the budget is carefully managed in order to ensure that the current stable corporate financial position is maintained.
- 3.10 The Audit Committee will be held on 19<sup>th</sup> September, so it has not been possible to capture their feedback in writing prior to the preparation of this report. Consequently their feedback will be provided as a prelude to his report is being considered.

#### **4. REASONS**

- 4.1 To review the Council's accounts as presented to external audit, and considered by Audit Committee.

#### **5. RESOURCE IMPLICATIONS**

- 5.1 As outlined in the respective Accounts to be found in the Appendices.

#### **6. CONSULTEES**

Audit Committee  
Strategic Leadership Team  
Cabinet Members  
Head of Finance  
Head of Legal Service

#### **7. BACKGROUND PAPERS**

Statutory and legislative guidance.  
Appendix 1: Statement of Accounts 2016-17

#### **8. AUTHORS:**

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#### **9. CONTACT DETAILS**

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