

<b>SUBJECT:</b>	<b>STATEMENT OF ACCOUNTS 2015/2016</b>
<b>MEETING:</b>	<b>Council</b>
<b>DATE:</b>	<b>22nd September 2016</b>
<b>DIVISIONS/WARD AFFECTED:</b>	<b>All Authority</b>

**1. PURPOSE:**

1.1 The purpose of this report is to:

- Consider the final annual accounts for the Authority for 2015/2016

Members are asked to note that, at the time of writing this covering report, the external auditors are still undertaking some work, which may still introduce late changes to the Statement of Accounts.

**2. RECOMMENDATIONS:**

2.1 The final Monmouthshire County Council Statement of Accounts for 2015/16, as reviewed by audit, be approved (Appendix 1).

**3. KEY ISSUES**

- 3.1 Under current legislation, the accounts closure process has to be concluded each year by 30<sup>th</sup> June. The Authority is also required to complete and prepare a set of accounts by this date. This deadline was met. Council approval of the accounts follows the audit process which must be completed by 30<sup>th</sup> September.
- 3.2 Draft accounts were submitted to Audit Committee on 30<sup>th</sup> June 2016. The attached Accounts are presented as a final version with the caveat that they may still change subject to ongoing external audit consideration. Issues raised during the Audit of Accounts are considered and reported in the Wales Audit Office ISA 260 response, which is also included on this Agenda.
- 3.3. To date the audit process has raised no materiality issues that prejudice the Accounts, and anecdotal feedback (prior to formal ISA 260 confirmation) suggests the Accounts have been prepared with the same rigour as previously. WAO colleagues have identified some refinements, textual clarifications and minor restatements designed to aid the reader, the majority of which have been accommodated. A summary of corrections is commonly provided by WAO as part of their ISA 260 report.
- 3.4 Once the External Audit process is complete, the Audited Statement of Accounts requires approval by Council by the end of September. Should the Accounts need to change, that change will be highlighted for explicit consideration.
- 3.5 The Statement of Accounts, shown in Appendix 1, is a highly technical document and its form and content are heavily regulated. The main regulations come through the:

- Code of Practice on Local Authority Accounting in the United Kingdom 2015/16
- Service Reporting Code of Practice 2015/16
- supported by International Financial Reporting Standards (IFRS).

3.6 In complying with these Standards, the accounts are highly technical and do not always make easy reading. With this in mind a summary of the 2015/16 Accounts has been produced (Appendix 2) and will be available on the Authority's website along with the statutory accounts, when published later in the year. In the meantime, supplementary information, regarding the Authority's financial performance, has also been provided to Cabinet and Select Committees through the Revenue and Capital Outturn Reports.

3.7 The final version of the Statement of accounts includes one adjustment that impacts on the Council fund balance of the Authority moving forward. This is in relation to the provision of £122,000 that was held for CMC2 which has been credited to Comprehensive Income & Expenditure as part of the adjustment.

3.8 2015-16 saw significant cost pressures within the service budgets, which are expected to continue into 2016-17. 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.

#### **4. REASONS**

4.1 To consider the Council's accounts after review by external audit, in conjunction with the external audit ISA 260 response.

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

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

#### **6. CONSULTEES**

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

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

Statutory and legislative guidance.

Appendices:

1. Statement of Accounts 2015/16
2. Summary Statement 2015/16

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#### **CONTACT DETAILS**

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