

27 July 2016

Audit and Scrutiny Committee

Statement of Accounts 2015/16

Report of: *Chris Leslie, Finance Director*

Wards Affected: *N/A*

This report is: *Public*

1. Executive Summary

- 1.1 This report presents the Council's 2015/16 Statement of Accounts. These have been updated for changes to date, which have arisen from the audit by the external auditors.

2. Recommendation(s)

- 2.1 **That the Statement of Accounts for 2015/16 at Appendix A is approved.**
- 2.2 **That delegate authority is given to the Finance Director in consultation with the Chair of the Audit and Scrutiny Committee to agree any further changes to the Statement of Accounts 2015/16.**

3. Introduction and Background

- 3.1 The main sections in the Statement are:

a) Narrative Report

The purpose of the narrative report is to provide an easily understandable guide to the most significant matters reported in the accounts.

b) Movement in Reserves Statement

This is a summary of the movements in the financial year within the different reserves held by the Council. The reserves are analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

c) Comprehensive Income and Expenditure Statement

This account brings together the expenditure and income relating to all of the services for which the Council is responsible and demonstrates how the net cost for the year has been financed. The services shown are in accordance with generally accepted accounting practices.

d) Balance Sheet

This sets out the financial position of the Authority as the 31 March 2016. The Balance Sheet reflects the balances and reserves, and net current assets employed in all of its operations, together with summarised information on any fixed assets held.

e) Cash Flow Statement

This summarises the Council's cash transactions throughout the year.

f) Notes to the Core Financial Statements including Accounting Policies

These provide supporting analysis to the Core Financial Statements. The Accounting Policies outline the legislation and principles upon which the Statement of Accounts has been prepared.

g) Housing Revenue Account Income and Expenditure Statement

This reflects a statutory requirement to account separately for local council housing provision. It summarises the resources that have been generated and consumed in providing services and managing the Council's housing stock during the last year. It includes all day to day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed.

h) Collection Fund

The Council is required to maintain a separate Collection Fund to receive monies as a billing authority in relation to the Council Tax and National Non-Domestic Rates (Business Rates) and accounts for the distribution of Council Tax to preceptors (Essex County Council, Police & Crime Commissioner for Essex and Essex Fire Authority) and the Council's own General Fund; with the addition of the Government for Business Rates.

- 3.2 The Annual Governance Statement (AGS) is not an official part of the Statement of Accounts, but is provided as a supporting document to publish the governance arrangements in place within the Council to ensure that business is conducted in accordance with the law and proper standards and that public money is safeguarded.

4. Issue, Options and Analysis of Options

- 4.1 In accordance with statute, the responsible financial officer must re-sign and authorise for issue the final audited statements. The Council (or delegated Committee) must approve the statements by 30th September at the latest.

4.2 The audit is substantially complete and has provided the external auditors with sufficient assurance to issue a draft Audit Results Report. Delegated authority to agree any further changes is sought, to avoid a delay in signing off the Statement of Accounts and to allow resources to be released.

5. Reasons for Recommendation

5.1 A system of sound financial control and governance arrangements underpins all of the services and priorities of the Council.

6. Implications

Financial Implications

Name & Title: Ramesh Prashar, Financial Services Manager

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6.1 The financial implications are contained in the Statement of Accounts.

Legal Implications

Name & Title: Daniel Toohey, Monitoring Officer

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6.2 None.

7. Appendices to this report

Appendix A – Statement of Accounts 2015/16

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