

## POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	<b>AUDIT COMMITTEE</b>		
DATE:	5 September 2016		
TITLE:	<b>STATEMENT OF ACCOUNTS 2015/2016 AND REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260)</b>		
TYPE OF REPORT:	Recommendation		
PORTFOLIO(S):	Performance - Cllr Nicholas Daubney		
REPORT AUTHOR:	Toby Cowper		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

### **REPORT SUMMARY**

<b>PURPOSE OF REPORT/SUMMARY:</b>
<p>The report introduces the Statement of Accounts (SOA) 2015/2016</p> <p>Essentially the Statement is the final accounts set out in a format which includes the Council's balance sheet and associated notes. The report also considers the report from the auditor on the audit for the accounts 2015/2016 – the International Auditing Standard (ISA 260).</p>
<b>RECOMMENDATIONS:</b>
<p>It is recommended that Audit Committee;</p> <ul style="list-style-type: none"> <li>i. Considers the comments of the auditor in the ISA260</li> <li>ii. Approve the Statement of Accounts for 2015/2016</li> <li>iii. The Chairmen to signs the Statement of Accounts and the Letter of Representation on behalf of the Borough Council of King's Lynn and West Norfolk</li> </ul>
<b>REASONS FOR RECOMMENDATIONS:</b>
<p>The Council must approve the Statement of Accounts for 2015/2016 before 30 September 2016 and consider the comments from the auditor on the ISA 260.</p>

## **REPORT DETAIL**

### **1. Introduction**

- 1.1 The report introduces the Statement of Accounts for 2015/2016 – a statutory document that must be approved by the Council before 30 September 2016. The Statement has been subject to external audit by Ernst & Young (the Council's auditors for 2015/2016).
- 1.2 Cabinet has already received a report on the outturn of the budget for 2015/2016 at its meeting 28 June 2016. This report presents to members the formal set of accounts that are required for audit purposes. The format of the Statement of Accounts is subject to prescription under the International Financial Reporting Standards (IFRS) which is in accordance with the relevant Audit and Account Regulations.
- 1.3 The report from the auditor on the audit for the accounts 2015/2016 – the International Auditing Standard (ISA 260) – provides members with an overview of the findings of the audit.

### **2 Statement of Accounts 2015/2016**

- 2.1 The Council must formally approve the SOA for 2015/2016 by 30 September 2016. Ernst & Young, the external auditor has audited the document and has expressed an opinion that the accounts present fairly the position of the Council as at 31 March 2016 and its income and expenditure for the year then ended.
- 2.2 As the Council's designated S151 Officer, the Assistant Director is responsible for the SOA and certifies her acceptance of the accounts.
- 2.3 Associated with the final accounts the Council is required to sign off an Annual Governance Statement (AGS) which is separately listed on the agenda.
- 2.4 The Balance Sheet from page 13 of the Statement of Accounts 2015/2016 document is copied below. The Balance Sheet is a 'snapshot' of the Council's financial position at the 31 March 2016.

31 March 2015		31 March 2016	
£'000		£'000	
113,113	Property, Plant and Equipment	129,090	
17,954	Heritage Assets	17,954	
24,076	Investment Property	24,225	
706	Intangible Assets	608	
6,044	Long Term Investments	7,530	
2,538	Long Term Receivables	4,297	
<b>164,431</b>	<b>Long Term Assets</b>	<b>183,704</b>	
14,343	Short Term Investments	18,229	
88	Inventories	84	
9,113	Short Term Receivables	11,323	
6,810	Cash and Cash Equivalents	1,484	
654	Assets Held for Sale	1,091	
<b>31,008</b>	<b>Current Assets</b>	<b>32,211</b>	
(3,753)	Provisions	(2,833)	
(140)	Short Term Borrowing	(4,187)	
(13,525)	Short Term Payables	(12,932)	
<b>(17,418)</b>	<b>Current Liabilities</b>	<b>(19,952)</b>	
(1,144)	Grants Receipts in Advance	(395)	
(13,400)	Long Term Borrowing	(13,200)	
(244)	Other Long Term Liabilities	(202)	
(54,673)	Pension Liabilities	(41,479)	
<b>(69,461)</b>	<b>Long Term Liabilities</b>	<b>(55,276)</b>	
<b>108,560</b>	<b>Net Assets</b>	<b>140,687</b>	
(26,127)	Usable Reserves	(27,280)	
(82,433)	Unusable Reserves	(113,407)	
<b>(108,560)</b>	<b>Total Reserves</b>	<b>(140,687)</b>	

### 3. Issues for the Panel to Consider

Considers the comments of the auditor in the ISA260

Approve the Statement of Accounts for 2015/2016

The Chairmen to signs the Statement of Accounts and the Letter of Representation on behalf of the Borough Council of King's Lynn and West Norfolk

### 5. Financial Implications

There are no financial implications that follow the presentation of the Statement of Accounts.

### 6. Any other Implications/Risks

None

### 7. Equal Opportunity Considerations

None

### 8. Consultation

Leader of Council

### 10. Background Papers

Council agenda/minutes, Financial Plan 2015/2020, Monitoring Reports 2015/2016