



Statement of Accounts 2015/16 (Draft subject to Audit)

Audit Committee

13th July 2016

To be Covered

- » Purpose and Background of SofA
- » SofA Action Plan Update
- » SofA Governance Group
- » Changes to SofA for 2015/16
- » Links to Budget Monitoring Report
- » Headline Figures
- » Timeline and Next Steps

Purpose and Background of SofA

- » **To provide clear information to all interested parties about the Council's finances.**
- » **Information includes:**
 - » Costs of providing services in the year of account
 - » How those costs have been funded
 - » Assets and Liabilities at year end
- » **Prescribed format and style to enable comparisons with other Local Authorities and other organisations.**
 - » Aimed at 'the Reader'

SofA Action Plan - Update

- » **Majority of all actions completed**
- » **Small number of residual actions – good progress made during the year, will be completed during 2016/17.**
 - » 1.3 – Restatement of Infrastructure assets within asset register to include more detail.
 - » 2.2 – Complete work to review all deposits with an associated legal agreement and determine appropriate accounting treatment.
 - » 6.2 – Complete work to develop a Council wide procedure for any un-reconciled cash receipting balance arising in the future

Accounts Governance Group

- » Group of senior officers established to oversee and support the production of the Statement of Accounts at a strategic level.
- » Group has been very effective, resulting in positive benefits including:
 - » Ability to raise issues for escalation and resolution at an early stage
 - » Raising awareness of, and increasing collective responsibility for, the SofA
- » Group will continue to meet through the audit period with WAO representation

Changes to 2015/16 SofA

- » Group Accounts – Council & North East Wales Homes
- » Narrative Report (formerly called the Foreword)
- » Housing Revenue Account – Settlement Payment
- » Housing Revenue Account - Council Dwellings Valuations
- » IFRS 13 – Fair Value

Links to Budget Monitoring

» **Statement of Accounts**

- » Financial Accounting
- » Externally focused reporting
- » Style reflective of the Code of Practice, Regulations, and Accounting Standards.

» **Budget Monitoring**

- » Management Accounting
- » Internally focused reporting on performance against budget
- » Style reflects the Council's reporting needs – locally determined

Headlines – Council Fund

- » Net expenditure of £250.681m
- » Budget £251.457m
- » Spend less than budget by £0.776m
- » Increased by £0.713m to **£1.489m** due Council Tax income being higher than budgeted
- » Variance 0.6% of budgeted expenditure

Headlines – Reserves at Year End

	£m 2015/16	£m 2014/15
Council Fund (Unearmarked) Balance	10.144	10.515
Earmarked Reserves	25.438	27.853
Schools	2.307	2.379
Total	37.889	40.747

Headlines - Capital

	£m	£m	£m	%
	Budget	Outturn	Over / (Under) Spend	Budget v Outturn
Council Fund	42.535	40.661	(1.874)	96%
HRA	99.626	99.626	(0.000)	100%
Total	142.161	140.287	(1.874)	99%

Headlines - HRA

» Revised budget (gross expenditure)	£29.611m
» Spend above budget	£0.282m
» Income above budget	£0.223m
» Net spend above budget	£0.059m
» % of budgeted expenditure	0.20%
» Closing balance as at 31.3.2016 (General and specific HRA reserves)	£1.517m
» % of revised budgeted expenditure	5.12%

Timeline and Next Steps

- » 30th June Produce draft statement
- » 1st July External Audit commenced
- » 13th July Initial Audit Committee consideration (approval at this stage not required)
- » 1st– 31st August Accounts available for public inspection
- » Aug / Sept Further Member consideration
- » 26th Sept AM Audit Committee
 - Final Statement of Accounts
 - WAO ISA 260 report
- » 26th Sept PM Council for approval
- » 30th Sept Publish approved SofA