

Classification: Public

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee
Date: 12 July 2016
Reporting officer: Director (Corporate Services)
Subject: Draft Statutory Statement of Accounts 2015/16

Purpose and summary of report:

To provide Members with the draft Statement of Accounts for 2015/16, subject to audit by Grant Thornton LLP.

Recommendations:

1. This report is for information only.

1. Background

- 1.1 The Accounts & Audit Regulations 2015 require the Council to prepare, in accordance with proper practices in relation to accounts, a statement of accounts for each year.
- 1.2 The attached statement of accounts (draft, and subject to audit) has been duly certified by the Section 151 Officer as presenting a true and fair view of the Council's financial position ahead of the regulatory deadline of 30 June.
- 1.3 This report is intended to enable Members of the Finance & Audit Committee to consider the draft, unaudited Statement of Accounts for 2015/16, prior to audit. The Finance and Audit Committee will be required to approve the statement of accounts by the end of September 2016, after the audit opinion and certificate have been issued by the Council's external auditors.

2. Draft Statement of Accounts 2015/16

- 2.1 A draft statement of accounts for 2015/16 (the draft statement) has been prepared and can be found at Appendix Two to this report. The content and format of the draft statement is prescribed in the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

3. Significant Changes to the Code

- 3.1 There have been only a limited number of changes to the requirements for producing the Statement of Accounts for 2015/16.
- 3.2 **Narrative Statement** – the Code requires the Council to publish a narrative report (previously the explanatory foreword) with their financial statements. The narrative report is intended to offer interested parties an easily understandable and effective guide to the most significant matters reported in the accounts as well as a commentary on the Council's financial performance and its economy, efficiency and effectiveness in using its resources over the financial year.
- 3.3 **Measurement of Property, Plant and Equipment (PPE)** – the Code has introduced the concept and definition of current value for the measurement of PPE. This has required no change in the measurement of operational PPE, though does require that non-operational PPE classified as surplus assets are measured at fair value. As at 31 March 2016, the Council did not hold any non-operational PPE that was classified as surplus assets. This change has therefore not impacted on the preparation of the draft statement for 2015/16.

4. Notice of Public Rights

- 4.1 The Accounts and Audit Regulations 2015 require that the draft statement and other documents are made available for public inspection. The Notice of Public Rights has been published on the Council website. The public inspection period runs from 30 June 2016 until 10 August 2016 inclusive and during this period, questions about or objections to the accounts may be made to the Council's external auditor.

5. BACKGROUND PAPERS

- 5.1 There are no background papers to this report.

IMPLICATIONS

APPENDIX 1

<p>Legal</p>	<p>The Statement of Accounts have been prepared in accordance with The Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 (the Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Accounts & Audit Regulations 2015 require the Council to prepare, in accordance with proper practices in relation to accounts, a statement of accounts for each year. The statement of accounts is required to be certified by the Section 151 Officer as presenting a true and fair view of the Council’s financial position by the end of June each year. The Finance and Audit Committee are required to approve the statement of accounts by the end of September 2016, after the audit opinion and certificate have been issued.</p>
<p>Finance and Value for Money</p>	<p>The Statement of Accounts summarises the financial performance of the Council for the financial year 2015/16, with this being best presented through the Comprehensive Income and Expenditure Statement and the Balance Sheet. The addition this year of the Narrative Statement has enhanced the information available to the reader of the accounts and the statement is presented with the intention of providing a transparent, true and fair view of the financial performance and standing of the Council as at 31 March 2016 as well as commentary on the Council’s financial performance and its economy, efficiency and effectiveness in using its resources over the financial year.</p>
<p>Risk Assessment</p>	<p>Should the Accounts for the year not be presented in a true and fair fashion there is the risk that the Auditors of the accounts may issue a qualified opinion. This could ultimately have ramifications upon the authority’s ability to receive central government grant funding, and present difficulties in completion of the annual Whole of Government Accounts process.</p>
<p>Equality Impact Assessment</p>	<p>Screening for Equality Impacts</p> <p>Question</p> <p>a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? If yes, please explain answer. No</p> <p>b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer. No</p> <p><i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i></p>
<p>Corporate Plan</p>	<p>There are no direct implications for the Council’s strategic priorities.</p>
<p>Crime and</p>	

Disorder	N/A
Digital and website implications	N/A
Safeguarding children and vulnerable adults	N/A