

**South Lakeland District Council**  
**Audit Committee 21 July 2016**  
**Statement of Accounts including the Annual**  
**Governance Statement 2015/16**

<b>PORTFOLIO:</b>	<b>All</b>
<b>REPORT FROM:</b>	<b>Shelagh McGregor - Assistant Director Resources (Section 151 Officer)</b>
<b>REPORT AUTHOR:</b>	<b>Pete Notley - Chief Accountant</b>
<b>WARDS:</b>	<b>Corporate Issue</b>
<b>KEY DECISION NO:</b>	<b>Not applicable</b>

**1.0 EXPECTED OUTCOME**

- 1.1 This report is presented to allow the Audit Committee to scrutinise and note the Statement of Accounts, including the Annual Governance Statement.

**2.0 RECOMMENDATION**

- 2.1 It is recommended that the Audit Committee:**

- (1) **Consider and note the unaudited Statement of Accounts, including the Annual Governance Statement for 2015/16**

**3.0 BACKGROUND AND PROPOSALS**

- 3.1 The Statement of Accounts for 2015/16 is included in the agenda pack. Its production and consideration is an important element of the financial stewardship of the Council. Its format and content are largely governed by statutory best practice, which is defined in CIPFA's "Code of Practice on Local Authority Accounting in the United Kingdom 2015/16".
- 3.2 The Statement contains a number of different elements referenced A to H in the contents page, further details on the purpose of each section are given below.
- 3.3 The Narrative Report in section A provides an analysis of the financial performance for the year and the main movements in the Council's net worth. This summarises the key elements of the main out-turn report being presented to Cabinet 20 July 2016 and Council 26 July 2016. This also includes a summary of non-financial performance against Council Plan targets, as reported to Performance Sub Committee on April 25 2016.

- 3.4 Section B details the accounting policies used in the preparation of the Statement of Accounts. These were adopted by Audit Committee on 21 April 2016 with minimal changes to the prior year.
- 3.5 Section C presents the core financial statements, namely the Movement in Reserves Statement (MIRS), the Comprehensive Income and Expenditure Statement (CIES), the Balance Sheet and the Cash Flow Statement. These are cross referenced to the Notes to the Accounts in Section D which give more detail behind the figures presented in the core statements. The unaudited Balance sheet was signed by the S151 Officer 29 June 2016.
- 3.6 Section E details the Collection Fund information including the income and expenditure statement and notes.
- 3.7 The Assistant Director (Resources, S151 Officer) approved the accounts by signing the Statement of Responsibilities on 29 June 2016, the transitional provisions of the Accounts and Audit (England) regulations 2015 require that the unaudited Accounts be signed by 30 June. This is shown in section F.
- 3.8 The Annual Governance Statement (AGS, section G) is also included within the Statement of Accounts. This provides an important context to the financial information as it sets out how internal control has been exercised during the accounting period. This was considered and reviewed at the Audit Panel meeting 3 June 2016. Members of the panel were asked to challenge the details provided in the draft AGS statement and to make recommendations on those matters which the panel felt were significant risks. The panel concluded there were no significant governance issues to be addressed. The AGS was also reviewed and signed off by the Chief Executive and Leader of the Council prior to its inclusion in the unaudited statement of accounts.
- 3.9 The audit of the draft statements is underway although the majority of the external auditor's work is scheduled for August 2016. It is anticipated that the final statements will be brought back to this committee for authorisation on 21 September 2016. The audit certificate will be included at section H once the external auditors have completed the relevant assurance work and issued the certificate. It is anticipated that this will be within the statutory deadline for the 2015/16 accounts of 30 September 2016.

#### **4.0 CONSULTATION**

- 4.1 Other Local Authorities, South Lakes Housing, CIPFA, Grant Thornton UK LLP (appointed auditors), the Audit Committee, Audit Panel, Senior Officers and Members have been consulted during preparation of the Statement of Accounts and AGS.

#### **5.0 ALTERNATIVE OPTIONS**

- 5.1 No alternative options are presented.

## 6.0 LINKS TO COUNCIL PRIORITIES

6.1 The Statement of Accounts and AGS form a key part of the corporate governance in place to support all Council priorities.

## 7.0 IMPLICATIONS

### 7.1 Financial and Resources

7.1.1 There are no direct financial implications arising from this report. The out-turn report being presented to Cabinet 20 July 2016 and Council 26 July 2016 explains the underlying impact on the Council's usable reserves and financial performance for 2015/16.

### 7.2 Human Resources

7.2.1 There are no direct human resources implications of this report.

### 7.3 Legal

7.3.1 There are no direct legal implications of this report. Signing of the accounts by the S151 officer and submission to external audit by the deadline of 30 June met the Council's statutory reporting obligations.

### 7.4 Health, Social, Economic and Environmental

7.4.1 There are no additional Health, Social, Economic or Environmental impacts as a result of the report.

Have you completed and Health, Social, Economic and Environmental Impact Assessment?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, please confirm that it is attached to the report in the appendices.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If you have not completed an Impact Assessment, please explain your reasons.	The Statement of Accounts and AGS are historic documents relating to activities that have occurred during 2015/16.	

### 7.5 Equality and Diversity

7.5.1 There are no additional Equality or Diversity impacts as a result of the report.

Have you completed an Equality Impact Analysis?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If yes, please confirm that it is attached to the report in the appendices.	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If you have not completed an Equality Impact Analysis, please explain your reasons.	The Statement of Accounts and AGS are historic documents relating to activities that have occurred during 2015/16.	

## 7.6 Risk

Risk	Consequence	Controls required
Committee does not consider contents of Statements	Financial Management decisions would be impaired/ controls weakened	Committee to consider statements and make comments as appropriate

## CONTACT OFFICERS

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## APPENDICES ATTACHED TO THIS REPORT

Appendix No.	
1	Statement of Accounts including AGS 2015/16

## BACKGROUND DOCUMENTS AVAILABLE

Name of Background document	Where it is available
2015/16 Accounting policies	<a href="http://tinyurl.com/japppm5">http://tinyurl.com/japppm5</a>

## TRACKING INFORMATION

Assistant Director	Portfolio Holder	Solicitor to the Council	SMT	Scrutiny Committee
27/6/2016	n/a	n/a	27/6/2016	n/a
Executive (Cabinet)	Committee	Council	Section 151 Officer	Monitoring Officer
n/a	21/7/2016	n/a	27/6/2016	27/6/2016
Human Resource Services Manager	Leader	Ward Councillor(s)		
n/a	n/a	n/a		