

Title of meeting: Governance and Audit and Standards Committee

Date of meeting: Governance and Audit and Standards Committee 15 September 2017

Subject: Statement of Accounts 2016-17

Report by: Director of Finance and Information Services (Section 151 Officer)

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

To consider the Statement of Accounts for 2016/17.

2. Recommendations

- a) That the Statement of Accounts be approved
- b) That authority be delegated to the Chair of the Governance and Audit and Standards Committee to sign an amended 2016/17 Statement of Accounts after 15 September should this be required following comments by the auditor

3. Background

Under the Accounts and Audit Regulations 2015 the Director of Finance and Information Services was required to sign and date the statement of accounts, and confirm that he was satisfied that the accounts presented a true and fair view of the financial position of the authority at 31 March and of the authority's income and expenditure for 2016/17, by 30 June 2017.

From 3 July 2017 to 11 August 2017 any person was able to inspect the accounts of the Council for the year ended 31 March 2017 and certain related documents (comprising books, deeds, contracts, bills, vouchers and receipts and other documents relating to those records). From 1 July 2017 to 11 August 2017, a local government elector for the area of the Council, or his/her representative, could object to the Council's accounts asking that the auditor issue a report in the public interest (under schedule 7 of the Local Audit and Accountability Act 2014) and/or apply to the court for a declaration that an item in the accounts is contrary to law (under section 28 of the Local Audit and Accountability Act 2014). These rights were not exercised in respect of the Council's draft Statement of Accounts for 2016/17.

After considering comments from the auditors, and making adjustments that he felt were appropriate, the Director of Finance and Information Services (Section 151 Officer) has re-confirmed that he is satisfied that the statement of accounts presents a true and fair view of the financial position of the authority at 31 March and of the authority's income and expenditure for 2016/17. A list of non-trivial adjustments made by the Director of Finance and Resources (Section 151 Officer) is contained in the Appendix.

The Statement of Accounts 2016/17 includes an overview of the City Council's performance on pages 13 to 19 and a commentary on the financial statements on pages 19 to 33.

4. Reasons for Recommendations

The Accounts and Audit Regulations 2015 now require members of the Council to:

- a) consider the statement of accounts;
- b) approve the statement of accounts by a resolution
- c) ensure that the statement of accounts is signed and dated by the person presiding at the committee at which that approval is given

Portsmouth City Council discharges these responsibilities through its Governance and Audit and Standards Committee.

The Governance and Audit and Standards Committee now have two options:

- 1) Approve the statement of accounts
- 2) To identify areas of concern and not approve the accounts

In considering the statement of accounts the Committee should take into account any comments made by the auditor.

Under the Accounts and Audit Regulations 2015 the Council must publish its accounts together with any certificate or opinion entered by the auditor by 30 September.

The audit of the Statement of Accounts is ongoing. Therefore it is recommended that authority be delegated to the Chair of the Governance and Audit and Standards Committee to sign an amended 2016/17 Statement of Accounts after 15 September should this be required following comments by the auditor

5. Equality Impact Assessment

The contents of this report do not have any relevant equalities impact and therefore an equalities impact assessment is not required.

6. Legal implications

The Section 151 Officer is required by the Local Government Act 1972 and by the Accounts and Audit Regulations 2015 to ensure that the Council's budgeting, financial management, and accounting practices meet the relevant statutory and professional requirements. Members must have regard to and be aware of the wider duties placed on the Council by various statutes governing the conduct of its financial affairs.

If the statement of accounts is not approved by the Committee by 30 September the Council will be in breach of the Accounts and Audit Regulations 2015. Failure to approve and publish the accounts within the timeframe set out in the Accounts and Audit Regulations 2015 would represent a potential risk to the reputation of the Council.

7. Director of Finance & Information Services (Section 151 Officer) comments

All financial considerations are contained within the body of the report and the attached appendices

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Signed by Director of Finance & Information Services (Section 151 Officer)

Appendix: List of non-trivial amendments made by the Director of Finance and Information Services (Section 151 Officer)

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<u>Title of document</u>	Location
1 Accounts and Audit Regulations 2015	Legislation.gov.uk website
2 Information pertaining to the audit in the possession of the Council	Financial Services

Non-Trivial Adjustments Made to the Accounts Since Publication on 30 June

Note 35 Prior Period Adjustments - (b) Change in Estimation Methodology Relating to the Highways Private Finance Initiative (PFI) Scheme

An enhancement to comparative data through the inclusion of comparative balance sheet figures as at 1 April 2015.

Note 41 Liability Relating to Defined Benefit Pension Scheme - Narrative in Pensions Assets and Liabilities Recognised in the Balance Sheet

The total liability was misstated in the narrative below the table as £357.6m. This figure has been amended to £355.0m.