



# Audit and Risk Committee

## 3 July 2017

<b>Report title</b>	Draft Statement of Accounts 2016/17	
<b>Decision designation</b>	AMBER	
<b>Cabinet member with lead responsibility</b>	Councillor Andrew Johnson Resources	
<b>Key decision</b>	Yes	
<b>In forward plan</b>	Yes	
<b>Wards affected</b>	All	
<b>Accountable director</b>	Claire Nye, Director of Finance	
<b>Originating service</b>	Strategic Finance	
<b>Accountable employee(s)</b>	Emma Bland Tel Email	Finance Business Partner 01902 553928 Emma.Bland2@wolverhampton.gov.uk
<b>Report to be/has been considered by</b>	None	

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### Recommendations for noting:

The Committee is asked to note:

1. That the Director of Finance approved the Draft Statement of Accounts 2016/17 on 12 June 2017, within the 30 June 2017 deadline set by the Accounts and Audit Regulations 2015.
2. That the 2016/17 Draft Statement of Accounts is to be audited by Grant Thornton UK LLP from July through to September, and that any material changes required as a result of the audit will be reported to the Audit and Risk Committee.
3. That formal approval by the Council and publication of the 2016/17 Statement of Accounts is required by 30 September 2017 (Accounts and Audit Regulations 2015).
4. That the Statement of Accounts incorporates a copy of the Annual Governance Statement as required by the Accounts and Audit Regulations 2015.

## **1.0 Purpose**

- 1.1 The draft Statement of Accounts for 2016/17, which is subject to audit, has been approved by the Director of Finance and is appended to this report.

## **2.0 Background**

- 2.1 The draft Statement of Accounts is required by statute (The Accounts and Audit Regulations 2015) to be prepared and approved by the Section 151 Officer by 30 June 2017.
- 2.2 A copy of the draft Statement of Accounts is attached at Appendix A and can also be found at <http://www.wolverhampton.gov.uk/article/3050/Statement-of-Accounts>. This will now be audited by the Council's appointed external auditors, Grant Thornton, during July and August, following which they will report their findings to the Audit and Risk Committee in September. At the same time the final audited Statement of Accounts to be published by the Council will be presented to the Committee for approval.
- 2.3 The statutory deadline for publication of the audited Statement of Accounts is 30 September 2017.
- 2.4 The format of the Statement of Accounts is governed by the Code of Practice on Local Authority Accounting (the Code), published by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Statement is prepared in accordance with International Financial Reporting Standards (IFRS). For 2016/17 there was a change to the Code in relation to the format of the cost of services section of the Comprehensive Income and Expenditure Statement (CIES). Previously, authorities were required to present this in line with CIPFA's Service Reporting Code of Practice (SERCOP), but under the new requirements, to make the accounts more accessible to the reader, this is now reported on the basis of the Council's organisational structure. Further detail can be found in the appended draft Statement of Accounts for 2016/17 under 'Note 17A – Changes in Accounting Policies from Previous Year'.

## **3.0 Financial Implications**

- 3.1 The statement, and the forthcoming audit of those statements by the external auditors, is an important element of the accountability and transparency of the Council's finances.  
[EB/22062017/T]

## **4.0 Legal implications**

- 4.1 The Secretary of State makes the Accounts and Audit Regulations in exercise of powers conferred by the Local Audit and Accountability Act 2014. The Accounts and Audit Regulations 2015 require the 2016/17 Statement of Accounts be produced in accordance with proper practice.

- 4.2 This is exemplified by the Code of Practice on Local Authority Accounting which is published by CIPFA. These regulations also require that the accounts are approved by 30 June 2017 and published by 30 September 2017.  
[RB/22062017/J]

## **5.0 Equalities implications**

- 5.1 There are no equality implications arising from this report.

## **6.0 Environmental implications**

- 6.1 There are no environmental implications arising from this report.

## **7.0 Human resources implications**

- 7.1 There are no human resource implications arising from this report.

## **8.0 Corporate landlord implications**

- 8.1 There are no implications for the Council's property portfolio arising from this report.

## **9.0 Schedule of background papers**

- 9.1 There are no relevant preceding reports.