

**WILTSHIRE COUNCIL  
AUDIT**

**26 JULY 2017**

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**WILTSHIRE COUNCIL: STATEMENT OF ACCOUNTS 2016/2017**

**Purpose of Report**

1. To present the Statement of Accounts in respect of the 2016/2017 financial year for Wiltshire Council.

**Policy Considerations**

2. The Council is required to prepare an annual Statement of Accounts and to arrange for them to be audited and reported in accordance with the Accounts and Audit Regulations 2015, and the 2016/2017 Code of Practice on Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Statement of Accounts present the overall financial position of the Council reflecting the Council's outturn position.

**Background and Introduction**

3. The Code of Audit Practice (issued by the Audit Commission) and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom set out the requirements for the production and publication of the annual Statement of Accounts.
4. The draft Statement of Accounts are required to be certified by the Chief Finance Officer within three months of the financial year end (by 30 June 2017). At Wiltshire Council the Chief Finance Officer is the Associate Director, Finance.
5. The draft Statement of Accounts are then subject to external audit by the Council's appointed auditors (KPMG) before the final set is brought to the Audit Committee for final approval. This adoption process ensures that there is external independent scrutiny of the figures in the Statement of Accounts before they are brought to the Audit Committee. Under the constitutions, in Wiltshire the Statement of Accounts are adopted by the Audit Committee.
6. KPMG are required to report on any amendments from the draft Statement of Accounts as part of the submission of the final version to the Audit Committee. This is elsewhere on the agenda. The full report on issues arising from this audit is included in the ISA 260 report to those charged with governance. This report should be read in light of this document and the proposal is subject to any issues arising from this report.

## **Key Issues Arising**

7. The draft accounts were signed by the Chief Finance Officer on 31 May 2017, well ahead of the statutory deadline of 30 June 2017. KPMG started the year end audit on 6 June 2017. The draft accounts were taken to Cabinet on 20 June 2017.
8. The audited Statement of Accounts discussion at Audit Committee on 26 July 2017 is well ahead of the Statutory Deadline of 30 September.
9. The final outturn on the General Revenue Fund reported to Cabinet on 20 June 2016 was an underspend of £0.328 million and this was returned to General Revenue Fund Reserves. Further details of this were reported to Cabinet on 20 June 2017 in the Revenue Outturn Report.
10. The Housing Revenue Account outturn position is an underspend of £1.716 million, which gives a final return to reserves of £2.691 million.

## **Statement of Accounts format**

11. Members will note a changed narrative format to the reports, the aim of which is to set the Accounts out in a more user friendly format and gain increased readership and review of the accounts.
12. The Comprehensive Income & Expenditure Statement summarises the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from local taxation. Authorities raise taxation to cover expenditure in accordance with regulations. This is different from the accounting cost. The Movement in Reserves Statement reflects the true cost to council tax payers of services provided.
13. The national reporting requirements set out that the Accounts are prepared in accordance with a single set of standards for public and private sector bodies. As local authorities are funded from local and national taxation there are a number of technical adjustments made to the Comprehensive Income and Expenditure Account to ensure that consistency. These adjustments mean it can appear there is a different reporting position from the outturn. To overcome that there is now a reconciliation statement – the Expenditure Funding Analysis (EFA) that ties into this Outturn report. This identifies £71.993 million of technical adjustments:

	2016/2017		Net Expenditure in the Comprehensive Income & Expensive Statement £000
	Net Expenditure Chargeable to the General Fund & HRA Balances £000	Adjustments between Funding and Accounting Basis (see note 13) £000	
<b>General Fund Services</b>			
Adult Social Care Operations	123,471	703	124,174
Adult Care Commissioning & Housing	10,204	2,746	12,950
Public Health & Public Protection	2,262	12,702	14,964
Operational Children's Services	57,588	1,172	58,760
Commissioning, Performance & School Effectiveness	9,837	16,130	25,967
Economy & Planning	3,992	(257)	3,735
Highways & Transport	28,061	12,295	40,356
Waste & Environment	35,637	2,061	37,698
Communities & Communications	7,137	1,056	8,193
Corporate Function, Procurement & Programme Office	6,552	(173)	6,379
Finance	2,880	(205)	2,675
Legal & Governance	3,156	(51)	3,105
People & Business Services	25,914	4,753	30,667
Corporate Directors	2,897	(22)	2,875
Corporate	(6,331)	13,798	7,467
<b>Net Cost of Service General Fund</b>	<b>313,257</b>	<b>66,708</b>	<b>379,965</b>
Housing Revenue Account (HRA)	(2,691)	817	(1,874)
Transfer to Earmarked Reserves	(4,468)	4,468	0
<b>Net Cost of Service</b>	<b>306,098</b>	<b>71,993</b>	<b>378,091</b>

14. The Technical adjustments are then examined further in note 13 to the Statements and reflect changes for pensions, depreciation and other factors such as PFI transactions that do not impact on council tax funding:

	2016/2017			Total Adjustments £000
	Adjustments for Capital Purposes (Note 13a) £000	Net change for the Pension Adjustments (Note 13b) £000	Other Differences (Note 13c) £000	
<b>General Fund Services</b>				
Adult Social Care Operations	1,155	(427)	(25)	703
Adult Care Commissioning & Housing	4,024	(127)	(1,151)	2,746
Public Health & Public Protection	13,003	(304)	3	12,702
Operational Children's Services	1,860	(693)	5	1,172
Commissioning, Performance & School Effectiveness	16,529	(669)	270	16,130
Economy & Planning	(18)	(235)	(4)	(257)
Highways & Transport	12,492	(194)	(3)	12,295
Waste & Environment	2,251	(188)	(2)	2,061
Communities & Communications	1,251	(189)	(6)	1,056
Corporate Function, Procurement & Programme Office	0	(185)	12	(173)
Finance	0	(187)	(18)	(205)
Legal & Governance	60	(104)	(7)	(51)
People & Business Services	5,558	(388)	(417)	4,753
Corporate Directors	0	(18)	(4)	(22)
Corporate	0	616	17,650	18,266
Housing Revenue Account (HRA)	14,572	(74)	(13,681)	817
<b>Net Cost of Service</b>	<b>72,737</b>	<b>(3,366)</b>	<b>2,622</b>	<b>71,993</b>

## Overview and Scrutiny Engagement

15. There is a 30 working day public inspection period where interested parties may come in inspect the accounts.

### **Safeguarding Implications**

16. None have been identified as arising directly from this report.

### **Public Health Implications**

17. None have been identified as arising directly from this report.

### **Procurement Implications**

18. None have been identified as arising directly from this report.

### **Equalities Impact of the Proposal**

19. None have been identified as arising directly from this report.

### **Environmental and Climate Change Considerations**

20. None have been identified as arising directly from this report.

### **Risk Assessment**

21. None.

### **Financial Implications**

22. There are no direct financial implications associated with this report.

### **Legal Implications**

23. There are no direct legal implications associated with this report.

### **Recommendations**

24. That Cabinet receives and notes the Statement of Accounts for 2016/2017.

### **Reason for Recommendations**

25. The Cabinet are aware of the Statement of Accounts for 2016/2017.

### **MICHAEL HUDSON**

Associate Director, Finance

REPORT AUTHOR

MATTHEW TILLER – CHIEF ACCOUNTANT

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The following unpublished documents have been relied on in the preparation of this report:

### **Appendices:**

Appendix A

Draft Statement of Accounts 2016/2017