

BRECKLAND DISTRICT COUNCIL

Report of: Christine Marshall, Executive Director Commercialisation

To: Governance and Audit Committee, 12 June 2018

(Author: Christine Marshall, Executive Director Commercialisation)

Subject: Un-audited Statement of Accounts 2017-18

Purpose: To present the un-audited statement of accounts for 2017-18 and the Annual Governance Statement (AGS) for comment and information

Recommendation(s):

- 1) That the Governance and Audit Committee note the un-audited statement of accounts for 2017-18 and
- 2) That the Governance and Audit Committee review the Annual Governance Statement for 2017-8

1.0 BACKGROUND

- 1.1 The Accounts and Audit regulations 2015 require that:
- The Responsible Finance Officer (RFO) signs the un-audited statement of accounts no later than 31 May each year; and
 - The audited statement of accounts be considered and approved by a committee of the Council no later than 31 July each year

1.2 This is the first year that the new 'faster closedown' dates are mandatory, however Breckland has been working to these earlier dates for some years now, so the processes are well embedded, allowing us to achieve the earlier deadlines.

1.3 The statement of accounts at Appendix A has been produced in accordance with proper practices issued by the Chartered Institute of Public finance & Accountancy (CIPFA) in its Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

1.4 There have not been any major areas of change to the statement of accounts this year through accounting regulation changes. However the Narrative Statement has been expanded and the format improved to assist the readers of the accounts by providing information on the Council's objectives, risks and the use of resources linked to our outcomes.

1.5 Revenue & Capital

- The capital out-turn will be reported to Cabinet on 12 June 2018. In summary the final programme budget was £4,854k, of which £3,138k was spent, £21k no longer required and £1,695k moved to 2018-19 for spend on projects in progress or moved to next year.
- The revenue out-turn will also be reported to Cabinet on 12 June 2018, the major highlights were:
 - Service budgets delivered above budget spend of £334k (which includes £279k of Moving Forward targets not achieved)

- Above budget funding of £152k was received (mainly relating to NNDR grants)
- This total variance of £182k resulted in a reduction in the General Fund balance.

1.6 Balance Sheet

- The value of Property Plant and Equipment Surplus Assets has reduced by £1,794k. This is mainly due to a reduction in value at Thetford Riverside (£1,558k) now that the lease information is known and unit layouts have been altered (compared to the potential value in 16-17).
- Investment property has increased by £1,782k which reflects the general upward market trend of commercial units.
- Short term investments have increased by £1,037k, which is partly due to funds moving from cash equivalents to investments and partly due to the increase in the Council's net worth.
- Short term debtors have increased as a result of the Housing Benefit grant, meaning we are owed additional grant of £759k compared to last year when the Council owed Government a small balance.
- Short term creditors have also increased as a result of additional NNDR payments in advance and additional amounts owed to Norfolk County Council relating to their share of the NNDR.
- Un-usable reserves have increased, mainly due to the increased Collection Fund balances and the NNDR renewable energy additional income.

1.7 Collection Fund

- Our Council Tax collection rate was 97.7% (97.9% in 2016-17) and our Business Rates (NNDR) collection rates was 98.0% (98.6% in 2016-17).
- The Council Tax collection fund has a surplus balance of £965k overall, Breckland's share of which will be accounted for in future years budgets.
- The Business Rates (NNDR) collection fund balance has a surplus of £728k overall and Breckland's share of this will also be accounted for in future years budgets.

1.8 Annual Governance Statement AGS)

The AGS explains how the Council has complied with The Code and also meets the requirements of the Accounts & Audit Regulations in relation to the publication of a statement of internal control.

The AGS has been updated to reflect various changes, such as; areas highlighted in the internal audit annual report and opinion and changes to partnerships during the year.

The Governance and Audit Committee are requested to review the Annual Governance Statement (included in the last 7 pages of Appendix A) to ensure it reflects the reports they have considered over the past year (including at today's meeting) and that it supports your general understanding of the Council's governance arrangements. Once agreed by the Committee the statement will be submitted to external audit and then presented to the Leader and Chief Executive for formal sign off.

2.0 OPTIONS

- 2.1 That the Governance & Audit Committee note the un-audited statement of accounts for 2017-18 and the Annual Governance Statement.
- 2.2 Do nothing.

3.0 REASONS FOR RECOMMENDATION(S)

3.1 The report and appendix are for information and consultation, no approvals are required at this stage.

4.0 EXPECTED BENEFITS

4.1 To enable comments and challenge from the committee members and to highlight key areas of note.

5.0 IMPLICATIONS

In preparing this report, the report author has considered the likely implications of the decision - particularly in terms of Carbon Footprint / Environmental Issues; Constitutional & Legal; Contracts; Corporate Priorities; Crime & Disorder; Equality & Diversity/Human Rights; Financial; Health & Wellbeing; Reputation; Risk Management; Safeguarding; Staffing; Stakeholders/Consultation/Timescales; Transformation Programme; Other. Where the report author considers that there may be implications under one or more of these headings, these are identified below.

5.1 Constitution & Legal

5.1.1 To comply with the Accounts and Audit Regulations 2015.

5.2 Financial

5.2.1 The report is of a financial nature.

5.3 Risk Management

5.3.1 Risks are included in the statement of accounts as required.

6.0 WARDS/COMMUNITIES AFFECTED

6.1 N/A

7.0 ACRONYMS

7.1 These are detailed in the report or glossary of the appendix

Background papers:- [See The Committee Report Guide for guidance on how to complete this section](#)

Lead Contact Officer

Name and Post: Alison Chubbock, Chief Accountant
Telephone Number: 01362 656865
Email: alison.chubbock@breckland.gov.uk

Key Decision: No

Exempt Decision: No

This report refers to Mandatory and Discretionary Services

Appendices attached to this report:

Appendix A Statement of Accounts & Annual Governance Statement