



Derby City Council

AUDIT & ACCOUNTS COMMITTEE
19 September 2017

ITEM 7

Report of the Interim Director of Finance,
Section 151 Officer

Approval of the audited Statement of Accounts 2015/2016

SUMMARY

- 1.1 The draft Statement of Accounts 2015/16 was published in July 2016. Since then substantive work has been required to review the valuation estimates used in determining the reported value of the Council's property assets.
- 1.2 In order to provide a robust framework to support the valuation of the Council's substantial internal resources have been applied as well as external support from both an external valuer and the Council's external auditor.
- 1.3 The Statement of Accounts for the year ended 31 March 2016 now reflect the required adjustments arising from the valuation review and have been subject to audit by Ernst and Young.

RECOMMENDATION

- 2.1 To consider the final Statement of Accounts for the year ended 31 March 2016 and seek assurance from the Council's external auditor Ernst & Young and the interim Director of Finance that the accounts represent a true and fair view of the Council's financial position as at 31 March 2016.
- 2.2 To approve the accounts on behalf of the Council and to authorise the Chair of the Audit and Accounts Committee and the Interim Director of Finance to sign the accounts on behalf of Council.

REASONS FOR RECOMMENDATION

- 3.1 The Audit and Accounts Committee are required to approve the Statement of Accounts on behalf of Council.

SUPPORTING INFORMATION

- 4.1 The final Statement of Accounts for the year ended 31 March 2016 are attached to this report and reflect the changes arising from the review of valuation estimates used in determining the reported value of the Council's property assets.
- 4.2 The Audit and Accounts Committee will be provided with an overview of the key changes made to the accounts at the meeting but the main change is that the total value of the Council's Property, Plant and Equipment assets, as disclosed in the Balance Sheet and note 16 within the Statement of Accounts, has reduced from £1,498m to £1,150m, a reduction of £348m which has been reflected in a similar reduction in value of the Council's unusable reserves.
- 4.3 The final accounts also reflect a provision made to reflect the costs associated with preparing valuation estimates, reflecting the changes in the underlying supporting systems, and additional external audit costs amounting to £1.0m. Final costs have yet to be determined and any adjustment to the provision will be reflected in the 2016/17 accounts.
- 4.3 Other minor changes to the original draft accounts have been made as a result of adjustments raised during the audit due to the length of time between the original production of the accounts and the final Statement of Accounts.
- 4.4 The Statement of Accounts are expected to receive an unqualified audit opinion from the Council's external auditors but this will be confirmed at the meeting on the completion of all their work. Members of the Audit and Accounts Committee should consider the auditor's full report (contained in the agenda papers) as part of the Committee's consideration of the accounts prior to the approval of the accounts.

OTHER OPTIONS CONSIDERED

- 5.1 None

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Estates/Property officer Service Director(s) Other(s)	Mark Taylor, Interim Director of Finance & s151
For more information contact: Background papers: List of appendices:	Mark Taylor 01332 643377 mark.taylor@derby.gov.uk Audit & Accounts Committee Agenda and Minutes for the meetings: <ul style="list-style-type: none"> • 28th September 2016; • 30th November 2016; and • 29th March 2017 • 10 August 2017 Appendix 1 – Implications

	Appendix 2 – Final Statement of Accounts 2015/16
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IMPLICATIONS

Financial and Value for Money

- 1.1 None directly arising

Legal

- 2.1 It is a statutory requirement to prepare and publish the Statement of Accounts within agreed timescales

Personnel

- 3.1 None directly arising

IT

- 4.1 None directly arising

Equalities Impact

- 5.1 None directly arising

Health and Safety

- 6.1 None directly arising

Environmental Sustainability

- 7.1 None directly arising

Property and Asset Management

- 8.1 None directly arising

Risk Management and Safeguarding

- 9.1 None directly arising

Corporate objectives and priorities for change

- 10.1 None directly arising