

REPORT TO:		AUDIT COMMITTEE	
DATE:		27 June 2016	
PORTFOLIO:		Cllr Gareth Molineux - Resources	
REPORT AUTHOR:		Stephen Brindle – Head of Accountancy	
TITLE OF REPORT:		Draft Statement of Accounts 2015/16	
EXEMPT REPORT (Local Government Act 1972, Schedule 12A)	Options	Not applicable	
KEY DECISION:	Options	If yes, date of publication:	

1. Purpose of Report

- 1.1 This report sets out the draft Statement of Accounts 2015/16 for Hyndburn Borough Council.

2. Recommendations

- 2.1 The Audit Committee is recommended to note the council's draft statement of Accounts for 2015/16.

3. Reasons for Recommendations and Background

3.1 Background

At the end of each financial year, the Council is required by statute to produce a Statement of Accounts (SoA).

The Code of Practice on Local Authority Accounting in the United Kingdom (The Code) specifies the principles and practices of accounting required to give a 'true and fair' view of the financial position of the Council and its transactions.

The Code prescribes the accounting treatment and disclosures for all normal transactions of a local authority and is based on the following hierarchy of standards.

- International Financial Reporting Standards (IFRS) including International Accounting Standards (IAS) and International Financial Reporting

Interpretations Committee (IFRIC) and Standards Interpretations Committee (SIC) as adopted by the European Union

- International Public Sector Accounting Standards (IPSAS)
- UK Generally Accepted Accounting Practice (GAAP), Financial Reporting Standards (FRS), Statements of Standard Accounting Practice (SSAP) and Urgent Issues Task Force (UITF) Abstracts

3.2 The Council's accounts are subject to scrutiny by its elected Councillors and its internal and external auditors to verify the regulations are being followed.

In addition members of the public have a statutory right to inspect the accounts. The availability of the accounts for inspection is advertised on the Council's website.

3.3 The Council's draft SoA 2015/16 is attached at Appendix A.

In accordance with the Accounts and Audit (England) Regulations 2015 the responsible financial officer, in Hyndburn BC the deputy chief executive, certifies by 30th June that the SoA give a 'true and fair view'.

3.4 Summary of the Accounts

The Council set a revenue budget of £11.489m intended to provide day to day services for the local community. The budget was made up of £12.148m of direct service expenditure balanced by £0.659m of credits from financing activities. It was in line with the medium term financial strategy and produced savings of £0.884m. The main savings were in waste services, planning and transport and corporate governance.

In 2015/16 the Council spent £3.2 million on its capital programme with a net savings £166k against budget.

Major capital projects undertaken by Hyndburn include:

- £710k acquiring and renovating properties particularly around Woodhook
- £450k renovating the Stable Block at Haworth Art Gallery
- £432k assisting those with disabilities to continue to live at home

3.5 Next Steps

The Statement of Accounts and supporting records will be subject to external audit. The audit is due to take place in August 2016. Subject to councillors support here, any subsequent material changes to the accounts will be reported to the Audit Committee in September 2016 should it prove necessary. The accounts will be reconfirmed by the deputy chief executive and signed by the Chair of the Audit Committee.

3.6 Reasons for Recommendations

To seek notification of the Council's Statement of Accounts 2016.

4. Alternative Options considered and Reasons for Rejection

4.1 Not applicable as the report is for information only.

5. Consultations

5.1 Not applicable.

6. Implications

Financial implications (including any future financial commitments for the Council)	None
Legal and human rights implications	None
Assessment of risk	This report should not result in any adverse implications or risk for the Council.
Equality and diversity implications <i>A Customer First Analysis should be completed in relation to policy decisions and should be attached as an appendix to the report.</i>	No part of the report has any implications for any Customer First Analysis.

7. Local Government (Access to Information) Act 1985: List of Background Papers

7.1 Guidance Notes for Practitioners on LA Accounting – 2015/16

The Code of Practice on Local Authority Accounting in the United Kingdom

Local Authority Accounting Panel (LAAP) Bulletin 104 – Closure of the 2014/15 Accounts and Related Matters.

The Accounts and Audit (England) Regulations 2015

8. Freedom of Information

8.1 The report does not contain exempt information under the Local Government Act 1972, Schedule 12A and all information can be disclosed under the Freedom of Information Act 2000.