

DECISION-MAKER:	GOVERNANCE COMMITTEE		
SUBJECT:	FINANCIAL STATEMENTS 2016-17		
DATE OF DECISION:	24 JULY 2017		
REPORT OF:	SECTION 151 OFFICER		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Sue Cuerden	Tel: 023 80 834153
	E-mail:	Susan.cuerden@southampton.gov.uk	
Director	Name:	Mel Creighton	Tel: 023 80 834897
	E-mail:	Mel.creighton@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY	
NOT APPLICABLE	
BRIEF SUMMARY	
<p>In accordance with the Accounts and Audit Regulations 2015 the Financial Statement 2016/17 were signed by the Section 151 (S151) Officer on 22 May 2017 which is earlier than the statutory requirement to have the statements signed by 30 June. A copy of the latest Financial Statements is available in the Members Room.</p>	
<p>The Annual Audit, carried out by our auditors Ernst & Young, commenced on 5 June 2017 and is due to be completed 14 July 2017. This report details the findings, to date, noted in the draft annual report of any major changes to the Financial Statements arising from the annual audit. Any further changes, identified on submission of the final audit report, which is expected prior to this meeting, will be presented at this meeting.</p>	
RECOMMENDATIONS:	
(i)	Notes the changes to the Financial Statements 2016/17 as a result of the annual audit as detailed in paragraphs 6 to 9 and appendix 1.
(ii)	Approves the audited Financial Statements 2016/17.
REASONS FOR REPORT RECOMMENDATIONS	
1.	It is a legal requirement that the Statement of Accounts 2016/17 be approved and signed by the person presiding at this meeting, subject to any residual changes required following the completion of the Audit, by 30 September 2017.
ALTERNATIVE OPTIONS CONSIDERED AND REJECTED	
2.	The Financial Statements have been prepared in accordance with statutory accounting principles. No other options have been considered as it is a legal requirement that the Financial Statements are prepared and signed by the person presiding at this meeting no later than 30 th September 2017.

DETAIL (Including consultation carried out)	
	CONSULTATION
3.	Not applicable.
	FINANCIAL STATEMENTS
4.	<p>The Financial Statements are a complex document and the layout and information provided are defined by statutory requirements. The key issues that should be drawn to the attention of Committee were presented at its meeting on 12 June 2017. A copy of this is available in the Members Room or by following the link below.</p> <p>Governance Committee 12 June 2017</p>
	FINANCIAL STATEMENTS AMENDMENTS
5.	The Financial Statements for 2016/17 have been completed earlier than required this year in recognition that for the financial year 2017/18 it will be a legal requirement to have the accounts certified by 31 May 2018. The draft annual report includes a number of adjustments, none of which change the overall bottom line position for the Council for 2016/17.
6.	There were a number of minor numerical and typographical errors, some presentational, and additional disclosure adjustments to the Draft Financial Statements signed by the S151 Officer on 22 May 2017.
7.	<p>The latest Draft Financial Statements, along with full details of any changes made, are available in the Members Room. The Main adjustments to the statements:</p> <ul style="list-style-type: none"> • Senior Officers' remuneration disclosure to include LGPS payments of approximately £255k in respect of costs of early retirement for the Chief Operations Officer; • Council Dwellings £939k revaluation adjustment which impacted on a number of statements and Notes including the, Expenditure Funding Statement, Comprehensive Income and Expenditure Statement (CIES), HRA Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement, Cash Flow Statement and related Notes; • Additional disclosures with regard to Interest in Companies; • Additional Accounting Policy disclosure with respect to Community Infrastructure Levy; • Future minimum lease payments receivable reduced by approximately £7.6M to £517.0M; and • Financial Instruments fair value of Transferred Debt amended to £16.6M from £14.9M, with a restatement of the prior year's figure to £17.6M from £15.3M.
8.	The remaining adjustments to the statements and notes are detailed in Appendix 1.

RESOURCE IMPLICATIONS	
<u>Capital/Revenue</u>	
9.	The capital and revenue implications were considered as part of the General Fund Capital Outturn report and the General Fund Revenue outturn report that were presented to Council on 19 July 2017.
<u>Property/Other</u>	
10.	There are no specific property implications arising from this report
LEGAL IMPLICATIONS	
<u>Statutory power to undertake proposals in the report:</u>	
11.	Accounts and Audit Regulations 2015.
<u>Other Legal Implications:</u>	
12.	None.
RISK MANAGEMENT IMPLICATIONS	
13.	Not applicable
POLICY FRAMEWORK IMPLICATIONS	
14.	Not applicable. It should be note that the Financial Statements are prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the UK.

KEY DECISION?	Yes/No
WARDS/COMMUNITIES AFFECTED:	
<u>SUPPORTING DOCUMENTATION</u>	
Appendices	
1.	Revisions made to the Statement of Accounts 2016/17
2.	

Documents In Members' Rooms

1.	Latest amended Financial Statements 2016/17
2.	Governance Committee Report 12 June 2017 – Financial Statements 2016/17.

Equality Impact Assessment		
Do the implications/subject of the report require an Equality and Safety Impact Assessment (ESIA) to be carried out.		Yes/No
Privacy Impact Assessment		
Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.		Yes/No
Other Background Documents		
Other Background documents available for inspection at:		
Title of Background Paper(s)		Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
1.		
2.		