

AGENDA ITEM 6

REPORT TO THE TEES VALLEY COMBINED AUTHORITY CABINET

29TH SEPTEMBER 2017

REPORT OF THE FINANCE DIRECTOR

ANNUAL STATEMENT OF ACCOUNTS 2016/17

SUMMARY

This report presents to Cabinet the Authority's Statement of Accounts for 2016/17.

RECOMMENDATIONS

It is recommended that the Tees Valley Combined Authority Cabinet approve the Statement of Accounts for 2016/17.

DETAIL

1. The accounts have been completed in accordance with the "Code of Practice on Local Authority Accounting in the United Kingdom 2016/17" which is prepared under International Financial Reporting Standards.
2. The Accounts and Audit Regulations (England) 2015 came in to effect on 1st April 2015. The regulations change the arrangements for the approval and publication of the Statement of Accounts and the Annual Governance Statement. Under the regulations the Authority must publish its audited Statement of Accounts and approved Annual Governance Statement by 30th September for 2016/17. Thereafter the publication date becomes 31st July.
3. The period in which the public have the right to examine the accounts, question the auditor and to make objections at audit has also changed. This is now a period of 30 working days which for 2016/17 must include the first ten working days of July. In 2018 this will become the first ten working days of June. The inspection period for this year commenced on the 28th June and ended on 9th August 2017. During this period there were no requests to inspect the accounts and there were no objections raised with the external auditor.
4. The external audit report on the statement of accounts and value for money, the "Annual Completion" report, highlighted a small number of agreed changes to the draft accounts presented to this committee in June. One misstatement was also reported however it was not adjusted as it was felt it did not impact on the content of the accounts.

5. The following key financial issues are included in the accounts:

- The comprehensive income and expenditure statement shows that the Authority generated an overall surplus of £50.3m in year. This is predominantly earmarked revenue and capital grants and contributions received but unapplied in year.
- The Authority's total reserves amounted to £85.4 million; this is predominantly earmarked general fund reserves and capital grants unapplied.
- TVCA's investment in the Tees Valley in 2016/17 was £44.2m.
- Investments and Cash amount to £78.0 million. The majority of these funds are held with other local authority's, in bank deposits or invested in money market funds.
- The level of TVCA Core balances at the 31st March stands at £0.668 million.
- The Authority's Pension Scheme liability stands at £1.714m at the 31st March.

FINANCIAL IMPLICATIONS

6. TVCA Core Balances as at the 31st March 2017 are £668,000.

RECOMMENDATIONS

7. It is recommended that Cabinet approve the Statement of Accounts for 2016/17.

LEGAL IMPLICATIONS

8. Regulation 9(1) of the Accounts and Audit Regulations 2015 requires the Authority's Chief Finance Officer to sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the Authority. Regulation 9(2) requires the Statement of Accounts to be approved by members prior to publication. Regulation 10(1) requires the publication of the approved, audited Statement of Accounts by 30 September in 2017 and by 31st July thereafter.

RISK ASSESSMENT

9. None directly from this report.

CONSULTATION

10. None directly from this report.

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