

**Statement of Accounts for the year ending 31 March 2017**

**SUMMARY**

This report presents recommendations arising from a meeting of the Audit Committee earlier on 22 September 2017.

**RECOMMENDATION(S)**

The Authority is asked to:-

- 1) Agree the Audit Committee's recommendation to approve the Statement of Accounts for 2016/17 (Appendix 1)

**1. Introduction**

It is a statutory requirement to publish signed and certified Statement of Accounts by 30 September. Therefore the Authority needs to formally approve its accounts, incorporating any changes required by the auditors as a result of the audit.

The Statement of Accounts in Appendix 1 will need to be signed by the Chair, Clerk and Treasurer, following approval at the September Authority meeting. Our external auditors will then certify the accounts. The signed and certified Statement of Accounts will then be published by 30 September.

**2. Statement of Accounts**

At its meeting earlier today the Audit Committee considered the statement of accounts and a range of supporting papers including:

- Ernst & Young's report summarizing the key findings from the external audit of the statement of accounts
- The Annual Internal Auditors report
- The risk register highlighting the mitigation and controls in relation to key risks
- Annual Assurance Statements from Chief Officers and Senior Managers

The Audit Committee was satisfied that the accounts and information provided ensure that the Statement of Accounts provide a true and fair view of the Authority's finances for the year ending 31 March 2017. Therefore, the Audit Committee are recommending that the Authority approve the statement of accounts.

There is only one notable change to the accounts first reported and considered in detail at the July Authority meeting relates to the valuation of properties which reduced the valuation gain. These are artificial gains as highlighted at the June Authority meeting and following audit of the independent valuation, the overall gains were reduced from £21.5 million to £11.9 million. They're big artificial gains, but not as big as our independent valuer originally thought.

Other than the valuation, the final out turn figure is similar to that reported to the July Authority meeting with the accounts continuing to show strong operational performance and a healthy reserve position. The out turn position is provided below:

<b>Financial Performance 2016/17</b>	<b>2016/17 Budget £000s</b>	<b>2016/17 Actual £000s</b>	<b>Variance £000s</b>
<b>Expenditure</b>			
Employees	1,581	1,837	256
Premises	3,890	3,258	-632
Waste, Transport and Disposal	40,285	44,601	4,316
Other supplies	732	791	59
Depreciation	5,327	2,539	-2,788
Financing	5,967	2,770	-3,197
	<b>61,973</b>	<b>55,796</b>	<b>-1,986</b>
<b>Income</b>			
Levies	-56,099	-55,277	822
Trade and other	-1,257	-2,095	-838
Agency	-426	-437	-11
	<b>-57,782</b>	<b>-57,809</b>	<b>-27</b>
<b>Surplus</b>	<b>0</b>	<b>-2,013</b>	<b>-2,013</b>
Actuarial loss on pension liability	0	474	474
Property valuation gains	0	-11,947	-11,947
<b>Contribution to reserves</b>	<b>0</b>	<b>13,486</b>	<b>-13,846</b>

**3. Financial Implications** – The financial position and performance are provided in the Statement of Accounts.

**4. Legal Implications** – It is a statutory requirement for the Authority to produce annual financial statements.

**5. Impact on Joint Waste Management Strategy** – The draft Statement of Accounts set out in this report demonstrates that the Authority is supporting the boroughs to deliver improved value for money to its residents in line with Policy 7 and demonstrates partnership working as set out in policy 8.

Policy 7: The West London Waste Authority and constituent Boroughs will seek to provide waste management services that offer good value, that provide customer satisfaction and that meet and exceed legislative requirements.

Policy 8: The West London Waste Authority and constituent Boroughs will work together to achieve the aims of this strategy and are committed to share equitably the costs and rewards of achieving its aims.

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