

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

**SUMMARY**

This report presents the Statement of Accounts for the year ending 31 March 2017.

**RECOMMENDATION(S)**

The Committee is asked to:-

- 1) Recommend to the Authority that they approve the Statement of Accounts for 2016/17 (Appendix 1)

**1. Introduction**

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

The Statement of Accounts 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 must be published by 30 September.

**2. Statement of Accounts**

At its meeting on the 23 June 2017 the Authority considered a draft of the statement of the accounts. Since then the statement has been audited by Ernst & Young the Authority's external auditor and they are satisfied that the accounts and information supplied ensure that the Statement of Accounts provide a true and fair view of the Authority's finances for the year ending 31 March 2017.

There is only one notable change to the accounts first reported and considered in detail at the June Authority meeting and this relates to the valuation of properties. 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 still big artificial gains, but not as big as our independent valuer originally thought.

Other than that, a small number of minor disclosures and presentational changes were identified during the audit process. The changes have been applied and the final out turn figures are provided over the page. These show that the Authority's accounts continue to demonstrate strong operational performance and a healthy reserve position as reported at the June meeting.

<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. Other supporting information

The Audit Committee Agenda includes items to support the approval of the Statement of Accounts:

- Ernst & Young's report summarizing the key findings from the external audit of the statement of accounts
- An annual internal audit report and opinion from the London Borough of Hillingdon
- The risk register highlighting the mitigation and controls in relation to key risks
- Annual Assurance Statements from Chief Officer's and Senior Managers

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

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

**6. 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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