

**Update to Joint Audit & Standards Committee 29 September 2017  
Changes to Statement of Accounts since Report to Committee issued**

<b>Babergh District Council</b>				
<b>No.</b>	<b>Committee Report Page</b>	<b>Statement Page</b>	<b>Item</b>	<b>Description of change</b>
<b>1</b>	51	Contents page	Note 30	Changed from page 60 to Page 59
<b>2</b>	109	Pages 56/57	Note 27 Related Parties	<p>Page 57 - Additional Note for Sudbury Citizens Advice Bureau:</p> <p>The Council provided a grant of £60k (2015/16 was £53.5k) to Sudbury Citizens Advice Bureau (CAB) during the year and £14k for the provision of the Money Advice Service for housing. It also contracted them to provide housing debt advice for the sum of £7.6k (2015/16 was £7.6k). The Council has no significant interest in the organisation and has no entitlement to any surpluses of this Not for Profit organisation.</p>
<b>3</b>	153	Page 100	Audit Opinion	Amended the Opinion on the Authority's financial statements (bullet point 6) to include the Expenditure and Funding Analysis

<b>Mid Suffolk District Council</b>				
<b>No.</b>	<b>Committee Report Page</b>	<b>Statement Page</b>	<b>Item</b>	<b>Description of change</b>
<b>1</b>	203	Page 96	Audit Opinion	Amended the Opinion on the Authority's financial statements (bullet point 6) to include the Expenditure and Funding Analysis

## Contents

		Page
Narrative Report		1
Statement of Responsibilities		17
Expenditure and Funding Analysis		18
<b>Core Financial Statements</b>		
Movement in Reserves Statement		19
Comprehensive Income and Expenditure Statement		20
Balance Sheet		21
Cash Flow Statement		22
<b>Notes to the Core Financial Statements</b>		
<b>Note</b>		
1	Accounting Standards that Have Been Issued but Have Not Yet Been Adopted	23
2	Critical Judgements in Applying Accounting Policies	23
3	Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty	24
4	Events after the Reporting Period	25
5a	Note to the Expenditure and Funding Analysis	26
5b	Segmental Income	28
6	Expenditure and Income Analysed by Nature	28
7	Adjustments between Accounting Basis and Funding Basis under Regulations	29
8	Transfers to/from Earmarked Reserves	34
9	Other Operating Expenditure	36
10	Financing and Investment Income and Expenditure	36
11	Taxation and Non-Specific Grant Income and Expenditure	37
12	Property, Plant and Equipment	37
13	Intangible Assets	39
14	Financial Instruments	40
15	Debtors	42
16	Cash and Cash Equivalents	42
17	Creditors	42
18	Provisions	43
19a-f	Unusable Reserves	44
20	Cash Flow Statement - Operating Activities	49
21	Cash Flow Statement - Investing Activities	49
22	Cash Flow Statement - Financing Activities	50
23	Members' Allowances	50
24	Officers' Remuneration	50
25	External Audit Costs	54
26	Grant Income	55
27	Related Parties	56
28	Capital Expenditure and Capital Financing	58
29	Leases	59
30	Impairment Losses and Reversals	59

## Notes to the Core Financial Statements

The cost of delivering the partnership is reviewed annually and is based on cost drivers such as number of businesses, number of billing items (council tax) and number of housing benefit documents. Babergh's share represents net expenditure of £1.19 million in 2016/17 (£1.27 million in 2015/16).

### Shared Legal Services

From 1 November 2016 the Shared Legal Services team was created to deliver a strong, skilled legal service that proactively seeks out new knowledge and different ways of working for Babergh, Mid Suffolk and Forest Heath District Councils and St Edmundsbury Borough Councils. Expenditure is shared on the following basis; Babergh and Mid Suffolk District Councils 57%, Forest Heath District Council and St Edmundsbury Borough Councils 43%.

### South Suffolk Leisure Trust

The South Suffolk Leisure Trust (SSLT) is a registered charity and provides leisure services, through a normal service provision agreement that is set out in the Annual Delivery Plan, for a management fee. The Council has management board nomination rights which are less than 20% of the total management board. These nominees are not Council representatives speaking on behalf of the Council, nor can they prematurely be dismissed by the Council.

### Sudbury Citizens Advice Bureau

The Council provided a grant of £60k (2015/16 was £53.5k) to Sudbury Citizens Advice Bureau (CAB) during the year and £14.7k for the provision of the Money Advice Service for housing. It also contracted them to provide housing debt advice for the sum of £7.6k (2015/16 was £7.6k). The Council has no significant interest in the organisation and has no entitlement to any surpluses of this Not for Profit organisation.

During the year transactions with the various related parties shown below were as follows:

Related Parties	2016/17 £'000	2015/16 £'000
South Suffolk Leisure Trust: Revenue and capital transactions	225	232
Grants & Contributions to Parish Councils, Community Councils, Village Halls and Theatres	341	155
Suffolk County Council	661	688
Police & Crime Commissioner	14	13
Sudbury Citizens Advice Bureau	82	75
<b>Total</b>	<b>1,323</b>	<b>1,163</b>

### Independent auditor's report to the Members of Babergh District Council

#### Opinion on the Authority's financial statements

We have audited the financial statements of Babergh District Council for the year ended 31 March 2017 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Movement in Reserves Statement;
- Comprehensive Income and Expenditure Statement;
- Balance Sheet;
- Cash Flow Statement;
- Related notes 1 to 37 to the Core Accounting Statements; and
- **Include the Expenditure & Funding Analysis**, Housing Revenue Account and Collection Fund and related notes

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This report is made solely to the members of Babergh District Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of the Assistant Director, Corporate Resources and External Auditor

As explained more fully in the Statement of the Assistant Director, Corporate Resources' Responsibilities set out on page 17, the Assistant Director, Corporate Resources is responsible for the preparation of the Authority's financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Assistant Director, Corporate Resources; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Statement of Accounts 2016/2017 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us while performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Independent auditor's report to the Members of Mid Suffolk District Council**

#### **Opinion on the Authority's financial statements**

We have audited the financial statements of Mid Suffolk District Council for the year ended 31 March 2017 under the Local Audit and Accountability Act 2014. The financial statements comprise the:

- Movement in Reserves Statement;
- Comprehensive Income and Expenditure Statement;
- Balance Sheet;
- Cash Flow Statement;
- Related notes 1 to 36 to the Core Accounting Statements; and
- **Include the Expenditure & Funding Analysis**, Housing Revenue Account and Collection Fund and related notes

The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2016/17.

This report is made solely to the members of Mid Suffolk District Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and for no other purpose, as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the Assistant Director, Corporate Resources and External Auditor**

As explained more fully in the Statement of the Assistant Director, Corporate Resources' Responsibilities set out on page 16, the Assistant Director, Corporate Resources is responsible for the preparation of the Authority's financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Assistant Director, Corporate Resources; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Statement of Accounts 2016/2017 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us while performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.