

**EPSOM AND WALTON DOWNS CONSERVATORS**  
**17 JULY 2017**

**FINAL ACCOUNTS 2016/17**

<u>Report of the:</u>	Treasurer to the Conservators
<u>Contact:</u>	Lee Duffy
<u>Annexes/Appendices</u> (attached):	<b>Annexe 1</b> – 2016/17 Cost Centre Account <b>Annexe 2</b> - Financial Statements 2016/17 <b>Annexe 3</b> - Annual Return and Statement of Assurance for the year ended 31 March 2017
<u>Other available papers</u> (not attached):	Final Accounts Working Papers

**REPORT SUMMARY**

**This item reports on the final accounts for the financial year 2016/17 and the financial position as at 31 March 2017**

**RECOMMENDATIONS**

- (1) That the final accounts for 2016/17 be received, subject to external audit,**
- (2) That the Conservators accept the Statement of Accounts and the Annual Governance Statement as set out in sections 1 and 2 of Annexe 3 to this report.**
- (3) That the Conservators confirm that the arrangements for internal audit as set out in this report are effective for auditing purposes.**
- (4) That the Chairman and Clerk be authorised to sign the Statement of Annual Return on behalf of the Conservators**

**1 Introduction**

- 1.1 The detailed revenue account for the year ended 31 March 2017 is attached at **Annexe 1**. This shows detailed income and expenditure for the year compared to the original budget and the forecast reported in January 2017.
- 1.2 The financial statements for 2016/17 are attached at **Annexe 2**.
- 1.3 The Annual Return for Smaller Bodies is required to be sent to the Audit Commission and is attached at **Annexe 3**.

## **EPSOM AND WALTON DOWNS CONSERVATORS**

### **17 JULY 2017**

1.4 The accounts are subject to external audit.

## **2 Revenue Account for 2016/17**

2.1 Net expenditure for the year exceeded income, resulting in £3,443 being transferred from the working balance. This is £1,713 more than the budgeted transfer from the working balance.

2.2 Net expenditure for the year was £374,723 compared to the original budget of £373,010.

2.3 There was no expenditure against the £11,100 budgeted for Warren Woodlands improvement works. As a result, there were no applications made for Woodland Improvement Grants from the Forestry Commission.

## **3 Repairs and Renewals Fund**

3.1 The balance on the fund was £35,860 at 31 March 2017 calculated as follows:-

	£
Balance b/f 1 April 2016	34,013
Contributions 2016/17	1,500
Payments 2016/17	0
Sub total	35,513
Interest on balance (1.02%	
Interest rate applied)	347
Balance c/f 31 March 2017	<u><u>35,860</u></u>

## **4 Financial Implications**

4.1 The working balance stood at £52,816 as at 31 March 2017 (£56,259 at 31 March 2016).

4.2 The balance sheet debtor is Epsom and Ewell Borough Council who holds the working balance and renewals fund reserve. The Council credits interest on these sums to the Conservators' account on the average return on the Council's investments for 2016/17 at 1.02%

## **5 Internal Audit**

5.1 The following comprises the review of the effectiveness of internal audit arrangements for the current year.

## **EPSOM AND WALTON DOWNS CONSERVATORS**

### **17 JULY 2017**

- 5.2 All financial transactions are processed through Epsom and Ewell Borough Council's financial systems and transactions recorded on the Council's financial management systems.
- 5.3 RSM UK have been appointed by Epsom and Ewell Borough Council to provide internal audit services to the Council and to audit the financial statements of 'smaller bodies'
- 5.4 RSM UK prepares a risk based audit strategy and an annual audit plan, which covers all of the Council's core financial systems.
- 5.5 The Audit Plan is submitted annually to Epsom and Ewell Borough Council's Audit, Crime & Disorder & Scrutiny Committee who act as an Audit Committee under the Council's constitution
- 5.6 The Audit, Crime & Disorder & Scrutiny Committee receive quarterly audit progress reports and a year-end Assurance Report
- 5.7 The role and scope of internal audit can be extracted from the annual assurance report prepared for Epsom and Ewell Borough Council. An updated annual assurance report will be available following the next Audit, Crime & Disorder & Scrutiny Committee meeting on 20 June 2017.
- 5.8 RSM UK audit plan includes provision to review smaller bodies accounts and financial statements, including the Epsom and Walton Downs Conservators' accounts.
- 5.9 RSM UK Internal Audit Contract Manager makes the appropriate arrangements for the smaller body accounts to be checked and signed off for Section 4 of the Annual Return.

## **6 Annual Return**

- 6.1 Smaller bodies in England must complete an annual return to the appointed External Auditor. The Annual Return for the year ending 31 March 2017 is attached at **Annexe 3**:-
  - 6.1.1 Section 1 comprises a Annual Governance Statement, which must be approved by the body and signed by the Chairman and the Clerk.
  - 6.1.2 Section 2 comprises a summary of the statement of accounts completed by the responsible financial officer.

## **EPSOM AND WALTON DOWNS CONSERVATORS**

### **17 JULY 2017**

6.1.3 Section 3 comprises the external auditor's certificate and opinion.

6.1.4 Section 4 comprises the annual internal audit report.

6.2 With regard to the Smaller Authorities Annual Return, the Conservators will note that:-

6.2.1 The detailed budget is submitted to the Conservators each year prior to contributions being levied from constituent bodies,

6.2.2 Officers monitor the account as part of the Council's budget monitoring arrangements with monthly monitoring reports and quarterly reviews of major variances.

6.2.3 A mid-year monitoring report is presented to the Conservators by the Treasurer.

6.2.4 A year-end report is presented to the Conservators by the Treasurer.

6.2.5 All transactions are subject to the Council's financial management and internal control arrangements

6.2.6 The Council's financial processes and operational activity are subject to risk profile as part of the audit needs assessment.

## **7 Issues arising from the previous Audit of the Accounts for the year ended 31 March 2016**

7.1 The external auditors carry out a review of the financial returns and identify areas where changes are required.

7.2 The external auditors, BDO LLP, completed the audit of the accounts for the year ended 31 March 2016. No changes were required to the financial position for 2015/16 as reported in June 2016.

## **8 Proposals**

8.1 It is proposed that:-

**EPSOM AND WALTON DOWNS CONSERVATORS**  
**17 JULY 2017**

8.1.1 The final accounts for 2016/17 be received

8.1.2 The Conservators accept the Statement of Accounts

8.1.3 The Conservators confirm that the arrangements for internal audit as set out in this report are effective for the purpose of the Committee

8.1.4 The Chairman and Clerk be authorised to sign the Annual Governance Statement.

8.2 Any significant changes to figures following external audit will be reported back to the Conservators.

**9 Conclusions**

9.1 Expenditure for the year exceeded income by £3,443.

9.2 The working balance at the year-end is £52,816, which represents approximately 14.2% of annual turnover (15.8% last year).

9.3 The level of working balance, taking into account this commitment, is considered to be adequate for the purpose.