

SOUTH THAMES GATEWAY BUILDING CONTROL JOINT COMMITTEE

09 JUNE 2016

FINAL OUTTURN AND STATEMENT OF ACCOUNTS 2015-2016

Report from: Phil Watts, Treasurer to the Joint Committee

Summary

The report addresses the requirement for the Joint Committee to approve the draft Statement of Accounts for the 2015-2016 financial year.

1. Budget and Policy Framework

1.1 The Memorandum of Agreement require that the statement of accounts to be approved by the Joint Committee by the 30 June 2016.

2. Final Outturn 2015-2016

2.1 The Joint Committee approved a balanced budget for 2015/2016.

2.2 The table below provides further details on the outturn and partner contributions.

STG OUTTURN v BUDGET

	2015-16 Budget £0s	2015-16 Actual £0s
Total expenditure	1,382,381	1,404,156
Increased Reserves	0	0
Fee income	(1,092,081)	(1,084,827)
Use of Reserves	0	(29,029)
Partner contributions (public protection)	(290,300)	(290,300)
Net Surplus transferred to reserve	0	0
Contributions – Public Protection		
- Gravesham (20%)		58,060
- Swale (27%)		78,381
- Medway (53%)		153,859

- 2.3 The Director's annual report will provide explanations for the variances between the outturn figures and the approved budget.
- 2.4 The October 2010 Building Control Charging Regulations allow the Joint Committee to set their own charging policy (rather than regulated fees), however the Joint Committee is required to demonstrate 'breakeven' on chargeable works over a period of time.
- 2.5 Whilst the partnership has achieved a surplus in 2012/13 & 2013/14, it made a deficit in 2010/2011 which had resulted in an overall deficit for the partnership since October 2010. The partnership recorded a surplus in 2014/15 and this led to an overall surplus being carried forward for the first time. However, the partnership recorded a small deficit in 2015/16. This is in line with current regulations as explained in 2.4.

3. Statement of Accounts

- 3.1 The draft statements of accounts are attached at Appendix 1 for the Board's approval. These include
 - 3.1.1 Section 1 – Statement of Accounts
 - 3.1.2 Section 2 – Governance Statement
This section summarises the expectation on the Joint Committee in the way it manages the Partnership.
 - 3.1.3 Section 4 – Annual Internal Audit Report
The accounts of the Partnership are currently hosted by Medway Council and maintained on Medway's financial systems. As such there was no bespoke internal audit of the Partnership in 2015-16 but the Audit Service Manager is able to provide the necessary certification on the basis of work undertaken on Medway's systems.
- 3.2 The format of the accounts complies with the 'limited assurance' audit approach explained in the appendices to this report.

4. Financial Implications

- 4.1 These are contained within the body of this report.

5. Legal Implications

- 5.1 There is a legal requirement for the Joint Committee to approve the draft Statement of Accounts by 30 June 2016.

6. Recommendations

- 6.1 That the Joint Committee:
 - (a) notes the outturn for 2015-16 and respective partner contributions as presented in section 2.2 of the report.

- (b) approves the Statement of Accounts, as presented at Appendix 1,
- (c) requests that the Chairman and the Monitoring Officer of the South Thames Gateway Building Control Partnership sign the Statement of Accounts as appropriate.

7. Suggested Reasons for Decisions

- 7.1 Joint Committee has a key role in monitoring the performance of the Partnership and is required to approve the Statement of Accounts.

Lead officer contact

Phil Watts, S151 Officer

**SOUTH THAMES GATEWAY
(STG)
BUILDING CONTROL
PARTNERSHIP**

**ANNUAL RETURN
2015/16**

Section 1 – Statement of accounts

SOUTH THAMES GATEWAY BUILDING CONTROL PARTNERSHIP

	Year ending	
	31 March 2015 £'s	31 March 2016 £'s
Balances brought forward	(47,972)	(33,276)
Contributions from constituent authorities - Local Taxation	(303,427)	(290,300)
Total other receipts	(1,020,817)	(1,084,827)
Staff costs	985,700	1,022,349
Loan Interest	0	0
Total other payments	353,240	381,808
Balances carried forward	(33,276)	(4,246)
Total cash and short term investments (see note)	0	0
Total reserves (ICT replacement & General Reserve)	33,276	4,246
Total fixed / long term assets	0	0
Total borrowings	0	0

Note:- The Partnership's accounts are hosted by Medway Council and as such the Partnership does not have its own cash / bank balances. At 31 March 2016 the Partnership were owed by the Council £89,576 in respect of its notional cash balance.

<p>I certify that for the year ended 31 March 2016 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure, or properly presents receipts and payments, as the case may be. Signed by the Responsible Financial Officer</p> <p>.....</p> <p>Date</p>	<p>I confirm that these accounting statements were approved by the body on:</p> <p>Date:</p> <p>and recorded as minute reference:</p> <p>Ref:</p> <p>Signed by Chair of meeting approving these accounting statements:</p> <p>.....</p> <p>Date</p>
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Section 2 – Annual governance statement

We acknowledge, as the members of STG Building Control Joint Committee, our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2016, that:

- We have approved the accounting statements prepared in accordance with the requirements of CIPFA’s code of practice.
- We have maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.
- We have taken all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and codes of practice which could have a significant financial effect on the ability of the Partnership to conduct its business or on its finances.
- We have carried out an assessment of the risks facing the Partnership and taken appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.
- We have maintained throughout the year an adequate and effective system of internal audit of the Partnership’s accounting records and control systems and carried out a review of its effectiveness.
- We have taken appropriate action on all matters raised in reports from internal audit.
- We have considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the Partnership and, where appropriate, have included them in the statement of accounts.

This annual governance statement is approved by the joint committee and recorded as minute reference Dated

Signed on behalf of the Partnership Joint Committee

Signed by (Chair) Date

Signed by..... (Clerk) Date.....

Section 4 – Annual internal audit report

Note - The accounts of the Partnership are currently hosted by Medway Council and maintained on Medway's financial systems. As such the head of internal audit is able to provide the necessary certification on the basis of work undertaken on Medway's systems.

The Council's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2016.

Internal audit has been carried out in accordance with the Council's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and, alongside, are the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council.

	Agreed? Yes / No / Not covered
Appropriate books of account have been properly kept throughout the year	Yes
The council's financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for	Yes
The council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	Yes
Expected income was fully received, based on correct prices, properly recorded and promptly banked and VAT was appropriately accounted for	Yes
Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for	Yes
Salaries to employees and allowances to members were paid in accordance with approvals and PAYE and NI requirements properly applied	Yes
Asset and investment registers were complete and accurate and properly maintained	Yes
Periodic and year end bank reconciliations were properly carried out	Yes
Year end accounts were prepared on the correct accounting basis (receipts and payments, income and expenditure), agreed with cash book, were supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded	Yes

Audit Services Manager, Medway Council

Signature

Date:

Reconciliation between Carry forward Balance and Cash Balance.

	£'s	£'s
2015-2016 Balance Carry forward		<u>4,247</u>
Less:		
Debtors	0	
Payments in Advance	<u>0</u>	
Total Deductions		0
Add:		
Creditors	77,316	
Over provision for bad debt	8,013	
Receipts in Advance	<u>0</u>	
Total Additions		85,329
Total Cash and balances		<u>89,576</u>