

REGULATION 7: FINANCIAL REPORTING

7.1 ACCOUNTING POLICIES AND PROCEDURES

These relate to the policies, procedures and records needed to ensure that all financial transactions are recorded completely and accurately in a form that allows the annual accounts to be a *true and fair* representation of the authority's affairs.

- 7.1.1 **Accounting Standards:** The Statutory Chief Financial Officer (SCFO) must ensure that the accounting policies, procedures and financial records adopted by the Council take into consideration published standards and codes of practice and are acceptable to the Council's external auditors.
- 7.1.2 **Integrity of Accounting Systems:** All accounting and financial systems in use must be approved by the SCFO to ensure they provide a comprehensive, consistent and accurate record of the organisation's financial transactions.
- Use of such systems must be monitored to ensure that they remain relevant to changing circumstances.
- 7.1.3 **Separation of Duties:** Wherever possible, financial systems of control should be designed so that no one individual is solely responsible for an entire process.

7.2 FINANCIAL REPORTS

These relate to external reports that show the Council's financial position and any *formal* reports that are produced for decision-makers within the Council.

- 7.2.1 **Quality of Financial Reports:** Any employee producing financial reports must ensure that they are clear, accurate, relevant, reliable, consistent and compatible with the Council's accounting and financial information systems. They should be complete, free from deliberate or systematic bias and material error.
- 7.2.2 **Supporting Documentation:** Where appropriate, working papers should be maintained to safeguard the quality and transparency of financial reports. In particular these should set out the basis on which sums have been estimated and any assumptions made.

SECTION B: FINANCIAL PLANNING – REG 7 (Financial Reporting)

7.3 FINANCIAL STATEMENTS

These comprise of annual reports that relate to the Council's financial position.

The Annual Statement of Accounts is a public document that includes:

- **Outturn actual revenue income and expenditure for the Council in the previous year (Comprehensive Income and Expenditure Statement)**
- **The Authority's Assets and Liabilities (Balance Sheet)**
- **Movements in Reserves Statement**
- **Cash flow for the year (Cash Flow statement).**
- **Notes to the Accounts**
- **Housing Revenue Account**
- **Income Collection in relation to Council Tax and NNDR (Collection Fund),**

In addition an Annual Governance Statement must accompany the Annual Statement of Accounts.

7.3.1 Reports to Executive: The SCFO must ensure that the following accounts and reports are prepared from the Executive for approval by the Council:

- a) the aggregate estimates of all services for the financial year together with other matters related to the revenue budget, including the proposed Council Tax for the following year;
- b) an opinion of the robustness of the estimates made and the adequacy of financial reserves;
- c) the aggregate capital programme, its financing and the implications for the financial year;
- d) the aggregate outturn of all services for the previous financial year.

7.3.2 Reports to Audit Committee: The SCFO must ensure that the following accounts and reports are prepared for approval by the Audit Committee:

- a) the Annual Statement of Accounts to the 31st March of each year;
- b) an Annual Governance Statement.

7.3.3 External Audit of Statement of Accounts: The SCFO must ensure that the draft annual statement of accounts and supporting working documents, are prepared and ready for external audit in sufficient time to enable the audited financial statement to be published within the timetable legally stipulated for the Council.

7.3.4 Publication of Financial Statements: The SCFO must ensure that financial statements are published in accordance with statutory requirements and, where appropriate, to interested parties identified by the Council. Other potential users should be made aware of their availability.

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Other Points of Reference (underline denotes a hyperlink is available)

[Financial Regulation 8: Revenue Budgets and Budgetary Control](#)

[Financial Regulation 9: Capital Budgets](#)

Data Quality Policy

FBC Statement(s) of Accounts

FBC Estimate Book(s)

CIPFA Standards of Professional Practice: Financial Reporting

ASB: Statement of Principles for Financial Reporting

CIPFA Code of Practice on Annual Governance Statement