

Redditch Borough Council

Financial Statements

FOR THE YEAR ENDED 31ST MARCH 2020

Statement of the Authority's and Chief Financial Officer's Responsibilities for the Statement of Accounts

The Authority's Responsibilities

Redditch Borough Council is required to:

- make arrangements for the proper administration of its financial affairs
- secure that one of its officers has the responsibility for the administration of those affairs
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- approve the Statement of Accounts.

In this Authority, that officer is the Executive Director of Finance and Resources;

The Executive Director of Finance and Resources is responsible for the preparation of Redditch Borough Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code') and in line with the latest principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. The latest principles have been adopted in this

In preparing this Statement of Accounts, the Executive Director of Finance and Resources has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the local authority Code.

The Executive Director of Finance and Resources has also:

- kept proper accounting records which were up to date;
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Accounts present a true and fair view of the financial position of Redditch Borough Council at 31 March 2020 and its income and expenditure for the year ended on that date.

SIGNED **Date:**

Certificate of the Chief Financial Officer

I certify that:

- (a) the Statement of Accounts for the year ended 31 March 2020 has been prepared in the form directed by the Code and under the accounting policies set out on pages 29 to 39.
- (b) in my opinion the Statement of Accounts gives a true and fair view of the income and expenditure and cash flows for the financial year and the financial position as at the end of the financial year.

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Chief Financial Officer

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Date

Authority Approval of Statement of Accounts

These accounts were approved by resolution of the Council on _____.

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Chairman

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Date

- Monitoring and reporting mechanisms were in place to report issues,
- These streams and reporting mechanisms are embedded in the RBC governance process.

Internal Audit reports are considered by the relevant Head of Service and Director of Finance and Resources, before submission to the Audit, Governance and Standards Committee for further scrutiny.

At the time of writing this opinion in relation to the 22 reviews that have been undertaken, 17 have been finalised and 5 are at draft report stage. Areas which returned an assurance level of 'limited' included Housing – Repairs and Maintenance Stocks and Stores, Document Retention Policies. St David's House returned an assurance level of 'no' assurance. A piece of work that was commenced in 2018/19 in regard to Housing – Repairs and Maintenance Stocks and Stores was rolled into 2019/20 due to initial enquiries, the nature and coverage.

Significant Governance Issues

As above, areas which returned an assurance level of limited included housing - repairs and maintenance stocks and stores, document retention policies. St David's returned an assurance level of "no" assurance. These levels of assurance are defined in the internal audit section of these accounts. These are serious issues which are currently being addressed and will be reviewed and updated in 2020/21. The stocks and stores audit identified a number of high priority areas that needed to be addressed. These ranged from governance to stock identification, ordering of stock, stock control, damaged stock, van stock requirement and job reconciliation and post job inspections. Managers in this area have identified the introduction of new software as the solution to these issues. The intention being that it will introduce the necessary checks and balances and have the appropriate governance framework built into it. Management have also committed to reviewing more of the work carried out and ordering to ensure that The issues identified at St David's were focused around the management of income. Following the audit review support was given to the team at St David's and training provided to ensure that appropriate measures were put in place for the management and collection of income from those using the services.

The issues regarding document retention policies which received limited assurance were as follows. The high priority areas identified were that some areas were not destroying records in line with retention policies and some hard copies of records were not being kept securely. Management's response to this was to ensure that the intranet was used to remind staff to maintain records in line with retention policies and to review records held regularly corporately. With regards to the hard copies of records, it is being investigated if records held at Bromsgrove Council could be transferred to Redditch Town Hall to keep them secure.

There remains a significant risk regarding the delivery of Housing Services which could jeopardise the ability to deliver Council objectives. These stem from the housing team systems and working practices potentially not complying with council best practice. To mitigate this a new housing system is being developed which will enshrine appropriate checks and balances and ensure that best practice is complied with. Control measures have been deployed to reduce the risk in 2020/21 which will be closely monitored by the Corporate Management Team and The Heads of Service have actions in place to address any recommendations from Audit reviews and all assessed as being either of high or medium importance have been reported to the Audit, Governance and Standards Committee. The Internal Audit team will continue to review the actions as they are implemented.

An opinion from the Head of Worcestershire Internal Audit is provided in the accounts on page 19.

Conclusion and Evaluation

As Leader and Chief Executive, we have been advised on the results of the review of the effectiveness of the Council's governance framework. Our overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment and the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

We are also satisfied that over the coming year, the Council will take appropriate steps to address any significant governance issues and we will monitor their implementation and operation as part of our next annual review.

Signed **Date**

Signed **Date**

Leader of the Council & Chief Executive on behalf of Redditch Borough Council

Redditch Borough Council

Balance Sheet as at 31 March 2020

	Notes	31st March 2020 £000	31st March 2019 £000
Property, Plant & Equipment	14/14a	349,424	337,235
Heritage Assets		57	60
Intangible Assets	15	652	173
Long Term Debtors	16	952	964
Long Term Assets		351,085	338,432
Short Term Investments	16	9,750	4,500
Inventories	17	277	326
Short Term Debtors	18	9,211	8,756
Cash and Cash Equivalents	19	1,511	1,138
Current Assets		20,749	14,720
Short Term Borrowing	16	0	(6,000)
Short Term Creditors	21	(14,031)	(7,385)
Provisions	22	(556)	(3,286)
Revenue Grants received in advance	33	0	0
Current Liabilities		(14,587)	(16,671)
Long Term Borrowing	16	(104,063)	(104,063)
Other Long Term Liabilities	37	(74,095)	(72,930)
Capital Grants received in advance	33	(727)	(551)
Long Term Liabilities		(178,885)	(177,544)
Net Assets		178,362	158,937
Usable reserves	24	42,335	40,251
Unusable Reserves	25	136,027	118,686
Total Reserves		178,362	158,937

Redditch Borough Council

Group Balance Sheet as at 31 March 2020

Information relating to the Group Balance Sheet is included in Note 23 - Group Accounts

	Notes	31st March 2020 £000	31st March 2019 £000
Property, Plant & Equipment	14/14a & 23	349,436	337,235
Heritage Assets		57	60
Intangible Assets	15	652	173
Long Term Debtors	16	952	964
Long Term Assets		351,097	338,432
Short Term Investments	16	9,750	4,500
Inventories	17 & 23	296	343
Short Term Debtors	18 & 23	9,050	7,625
Cash and Cash Equivalents	19 & 23	1,865	1,349
Current Assets		20,961	13,817
Short Term Borrowing	16	0	(6,000)
Short Term Creditors	21 & 23	(14,225)	(6,452)
Provisions	22	(556)	(3,286)
Revenue Grants received in advance	33	0	0
Current Liabilities		(14,781)	(15,738)
Long Term Borrowing	16	(104,063)	(104,063)
Other Long Term Liabilities	23 & 37	(76,696)	(72,930)
Capital Grants received in advance	33	(727)	(551)
Long Term Liabilities		(181,486)	(177,544)
Net Assets		175,791	158,967
Usable reserves	23 & 24	42,365	40,281
Unusable Reserves	23 & 25	133,426	118,686
Total Reserves		175,791	158,967