

# REPORT TO GOVERNANCE AND AUDIT COMMITTEE

**REPORT OF: STRATEGIC DIRECTOR AND HEAD OF FINANCE**

**REPORT NO: HOF249**

**DATE: 26<sup>th</sup> September 2013**

<b>TITLE:</b>	Statement of Accounts 2012/13	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	None	
<b>PORTFOLIO HOLDER: NAME AND DESIGNATION:</b>	Councillor Mike Taylor Well Run Council Portfolio Holder	
<b>CONTACT OFFICER:</b>	Daren Turner – Strategic Director Corporate Focus. 01476 406301 Email: <a href="mailto:d.turner@southkesteven.gov.uk">d.turner@southkesteven.gov.uk</a> Richard Wyles –Head of Finance 01476 406210 Email: <a href="mailto:r.wyles@southkesteven.gov.uk">r.wyles@southkesteven.gov.uk</a>	
<b>INITIAL IMPACT ANALYSIS:</b>  Equality and Diversity	Carried out and Referred to in paragraph (7) below  N/A	Full impact assessment Required:  No
<b>FREEDOM OF INFORMATION ACT:</b>	This report is publicly available via the Your Council and Democracy link on the Council's website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	
<b>BACKGROUND PAPERS</b>	HOF243	

## 1. RECOMMENDATIONS

It is recommended that Members of the Governance and Audit Committee:

- a. Approve the revised Statement of Accounts 2012/13
- b. Note the commentary on the outcome of the audit work
- c. Approve the publication on the summary of accounts and publish the document on the Council's website

## 2. PURPOSE OF THE REPORT/DECISION REQUIRED

2.1 The purpose of this report is to present the Council's Statement of Accounts for 2012/13. It covers:

- Account and Audit (England) Regulations 2011
- Section 21(2) Local Government Act 2003
- Revised Statement of Accounts
- Commentary on the outcome of the audit of the Statement of Accounts

## 3. DETAILS OF REPORT

### 3.1 Account and Audit Regulations 2011

The Statement of Accounts must be published by 30 September 2013. The District Auditor must complete his audit and issue the relevant audit opinion to ensure the statutory deadline is met. This has been undertaken and his report is a separate item on the agenda.

The purpose of the external audit of the financial statements is to give an opinion on:

- a. whether they present a true and fair view the financial position of the audited body and its expenditure and income for the year in question.
- b. whether they have been prepared properly in accordance with relevant legislation and applicable accounting standards.

Auditors must provide reasonable assurance that, subject to the concept of materiality, the financial statements

- a. are free from material misstatements, whether caused by fraud or other irregularity or error
- b. comply with the statutory and other requirements applicable to the accounts of the audited body, and
- c. comply with all relevant requirements for accounting presentation and disclosure.

### 3.2 Section 21(2) Local Government Act 2003

Section 21(2) of the Local Government Act 2003 requires that the Statement of Accounts is prepared in accordance with the statutory framework established by the Accounts and Audit Regulations (England) 2011. The Statement of Accounts which accompanies this report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom

2012/13 based on International Reporting Standards, (the Code) produced by CIPFA<sup>1</sup> which sets out proper accounting practices required for the Statement of Accounts.

### **3.3 Statement of Accounts 2012/13**

The Statement of Accounts was originally presented to this Committee at its meeting on 23<sup>rd</sup> July 2013 (HOF243 report refers). Following the completion of the external audit the Statement of Accounts has been revised to reflect the outcome of this work and has been updated to reflect members comments made at the meeting. An updated set of accounts is presented on the Committee agenda and a commentary setting out the main findings from the audit (and the subsequent amendments made to the accounts) is provided for members' consideration and approval.

### **3.4 Audit Adjustments**

The majority of the changes made were minor presentational, typographical and narrative changes.

The Balance Sheet usable reserves have been adjusted to correctly separate out HRA Capital and Revenue balances.

### **3.5 Changes to the notes to the Accounts – Overview**

The audit work has identified a number of changes that were required to the disclosure notes. The main changes that have been agreed and implemented are listed below:

Note 34 External Audit Costs – removal of costs relating to internal audit and fees relating to the previous year

HRA Note 2 Land Houses and Other Property & HRA Note 5 Financing Capital Expenditure. - £68k relating to vehicle purchases had been omitted and has now been corrected.

### **3.6 Conclusion**

The report and enclosures represents a detailed picture of the changes made to the Statement of Accounts for 2012/13 following the audit work.

I would like to take the opportunity to thank all staff both from Accountancy Services and supporting services for their hard work in producing the Statement of Accounts.

## **4. OTHER OPTIONS CONSIDERED**

Not applicable.

## **5. RESOURCE IMPLICATIONS**

There are no specific financial implications arising from this report.

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<sup>1</sup> CIPFA – Chartered Institute of Public Finance and Accountancy

## 6. RISK AND MITIGATION

Risk has been considered as part of this report and any specific high risks are included in the table below:

Category Risk	Action / Controls
Statutory risk	Statement of accounts compiled in accordance with statutory guidance

## 7. ISSUES ARISING FROM IMPACT ANALYSIS

None

## 8. CRIME AND DISORDER IMPLICATIONS

None

## 9. COMMENTS OF FINANCIAL SERVICES

These are included in the report.

## 10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

In accordance with the Accounts & Audit regulations 2011 the Statement of Accounts must be approved by the Committee by 30<sup>th</sup> September 2013. The Committee has the opportunity to review the unaudited Statements prior to the statutory deadline.

## 11. COMMENTS OF OTHER RELEVANT SERVICES

None

## 12. APPENDICES:

Statement of Accounts 2012/13  
Summary of Accounts 2012/13