

BODY: CABINET
DATE: 10 July 2013
SUBJECT: Annual Accounts 2012/13
REPORT OF: Financial Services Manager

Ward(s): All

Purpose: To present the annual accounts and final outturn for 2012/13.

Contact: Pauline Adams, Financial Services Manager Tel: 01323 415979.

Recommendations: Members are asked to -

- i) Note the final outturn for 2012/13.
- ii) Approve the transfer to reserves and provisions as set out in paragraphs 2.3, 2.4 and 3.2.

1.0 Introduction

1.1 A report to the Cabinet meeting on 29 May 2013 set out the provisional outturn for 2012/13. The forecast was for a credit variance of £57,000 on service expenditure.

1.2 Since that time the work on closing the accounts has now been completed and the final outturn confirmed. The outturn will form part of the Statement of Accounts presented to the Audit and Governance Committee on 26 June 2013.

2.0 General Fund Final Outturn 2012/13

2.1 The general fund final outturn is a credit variance of £54,759 detailed in the table below and is in line with the provisional outturn forecast for service expenditure made at the end of May.

	Original Budget	Revised Budget	Actual	Variance
	£'000	£'000	£'000	£'000
Corporate Services	5,372	5,681	5,773	92
Community Services	37	1	(422)	(423)
Environmental Services	7,086	6,902	7,209	307
Tourism & Leisure Services	3,242	3,404	3,915	511
Service Total	15,737	15,988	16,475	487
Capital Financing Costs	745	769	769	-
Other Operating Income and Expenditure	(138)	308	(221)	(529)
Transfer to/(from) reserves	-	(857)	(868)	(11)
Total	16,344	16,208	16,155	(53)

Details of the service variances were reported to the May Cabinet and are summarised in the forward to the annual accounts.

2.2 The General Fund Balance at 31 March 2013 is £3,919,004. Details of other reserves are included in the accounts.

2.3 In addition to the transfers to and from reserves as approved by Cabinet on the 29 May 2013 a transfer of £643,721 was made to the Capital Programme reserve in line with the budget strategy representing the variance on capital financing costs. This includes savings on external interest payable due to the continued use of internal balances and the actual timing of capital spending incurred compared to the expected cash flow profile.

2.4 A provision for £78,000 was set up to cover the potential future liability as a result of the trigger of the scheme of arrangement with MMI allowing for the claw back of payments already made under the scheme if the outstanding claims cannot be fully funded by the company. This was following a recent court judgement relating to mesothelioma claims. Full details were reported to Cabinet on 12th December Quarter 2 Performance Monitoring Report and as a note in the statement of accounts.

2.4 The content of the accounting statements and notes differ from budget reports submitted to Cabinet during the year, in that Income and Expenditure is analysed according to the statutory national groupings set out in CIPFA's Service Reporting: Code of Practice (SeRCOP), rather than reflecting the management organisation of the Council.

3.0 Housing Revenue Account

3.1 There has been no change to the figure previously reported to the Cabinet on 29 May 2013. The final net expenditure for the year was £(178,000) a variance against budget of £(16,000). The Housing Revenue Account Balance as at 31.3.2013 is £2,178,762.

3.2 In addition to the transfers to and from reserves as approved by Cabinet on the 29 May 2013 a transfer of £298,020 was made to the Housing Regeneration and Investment Reserve in line with the budget strategy and the 30 year Housing Business Plan. This represents the variance between the budgeted and actual depreciation allowance.

4.0 Capital Expenditure

4.1 The final capital expenditure for the year was £12.3m compared to a revised budget of £12.4m a variance of £127,000 or 1%.

5.0 Statement of Accounts

5.1 Under the Accounts and Audit Regulations 2011 the deadline for the Council to approve the annual account is 30 September, after the external audit has been completed. The responsibility for this approval has been delegated to the Audit and Governance Committee. The draft accounts were submitted to the Audit and Governance Committee meeting on 26 June 2013 for noting. Any comments will be verbally reported.

5.2 The draft statement of accounts is available from Financial Services and an overview and key points of interest attached at Appendix 1.

5.3 It is the Chief Financial Officer's (CFO) responsibility to ensure the preparation of the Statement is in accordance with the CIPFA/LASAAC Code of Practice on local Authority Accounting in the United Kingdom (the Code). The CFO is also responsible for certifying that the accounts represent a true and fair view of the authority's financial position by 30th June.

5.3 There were a few minor changes to the presentation of the accounts for 2012/13 and full details were reported to the Audit and Governance Committee on 26 June 2013.

5.5 External audit (BDO) (previously PKF) is due to commence their work on 8 July and the accounts are open for public inspection between 5 July 2 and 1 August 2013. The date for questioning the external auditor has been set as 2 August 2013 until the end of the audit. All queries and questions must be put in writing to him and sent directly to his offices.

6.0 Summary

6.1 The 2012/13 accounts have now been finalised and have resulted in the outturn position on the general fund being in line with the provisional outturn reported to the Cabinet on 29 May.

6.2 There is a requirement to approve the statement of accounts 2012/13 by 30 September 2013. This responsibility has been delegated to the Audit and Governance Committee.

Background Papers:

The Background Papers used in compiling this report were as follows:

Draft Statement of Accounts 2012/13

CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 (the Code) and Guidance notes for practitioners

Final Accounts Working Papers 2012/13

Cabinet Report 29 May 2013: Corporate Performance – Quarter 4 2012/13.

Audit and Governance Committee Report 26 June 2013: Account Accounts 2012/13.
