

BODY: **AUDIT AND GOVERNANCE COMMITTEE**

DATE: **26 June 2013**

SUBJECT: **Annual Accounts 2012/13**

REPORT OF: **Financial Services Manager**

Ward(s): All

Purpose: To present the annual accounts for 2012/13

Decision Type Key decision

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

Recommendations: Members are asked to note the draft annual accounts for 2012/13.

1.0 Introduction

1.1 The Accounts and Audit Regulations 2011 require the Council to formally approve and publish the Statement of Accounts for the financial year ending 31 March 2013 by 30 September 2013

1.2 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 30 June.

1.3 The responsibility for the formal adoption of the accounts has been delegated to this Committee and the accounts together with any audit amendments will be presented back this committee prior to the September deadline so that members can comply with this duty. This responsibility is intended to enhance the corporate accountability and ownership of the finances of the authority. It is also a requirement under the Accounts and Audit Regulations for the person presiding at the Committee at which approval is given to sign and date them.

1.4 The Statement of Accounts is to be considered by the Cabinet on 10 July 2013 and any comments from this Committee will be reported verbally.

2.0 Format of the Statement of Accounts

2.1 The format of the Statement of Accounts has been prepared in line with the requirements of the Code and related guidance

notes.

2.2 The draft statement of accounts is circulated separately. An overview and key points of interest attached at Appendix 1.

2.3 There have been no major changes to the Code this year.

However the following few minor changes have been included in the 12/13 final accounts preparation:

- HRA accounting for property, plant and equipment in relation to transfers to and from the Major Repairs Reserve under the new self –financing arrangements for housing authorities introduced 1 April 2012,
- New note on Business Rate appeals, with the introduction of new arrangement for business rate retention on 1 April 2013 local authorities will assume the liability for refunding ratepayers who successfully appealed against the rateable value of their properties, which is reported as a post balance sheet event.
- Clarification over when redundancy costs are to be accounted for, which is when the decision is made rather than when actually paid. This has had an impact on the accounts for this year following the staffing changes brought about following the re-structure for Customer First.
- New note on pension changes that relate to accounting standards for pension reporting due in 13/14, comparator figures for 12/13 have to be reported. This change will not have any financial impact on the Council accounts.

These changes are also explained within the Foreword of the Statement of Accounts.

2.4 The Annual Governance Statement is not reported within the Statement of Accounts but sits along side the statement giving members assurance that the data supporting the figures included in the accounts are based on sound financial systems.

3.0 Financial Results

3.1 The provisional outturn for the general fund, HRA and capital was reported to the Cabinet on 29 May 2013. An analysis of the Council's financial activity of the year 1 April 2012 to 31 March 2013 can be found in the Foreword of the Statement of Accounts and the key issues are outlined in the overview attached at Appendix 1.

4.0 External Audit

4.1 The 2012/13 Statement of Accounts is still subject to external audit by BDO LLP (the new name for our audit provider following the merger with PKF (UK) LLP), who have to report back to this committee by 30 September 2013. Any significant subsequent changes will be reported at that time.

4.2 BDO are due to start their audit work on 8 July 2013.

5.0 Consultation

5.1 The accounts will be open for public inspection between 5 July and 1 August 2013 when any taxpayer of the Borough is entitled to come, inspect and make copies of the accounts and all books, deeds, contracts, bills, vouchers and receipts related to those accounts. The date set 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 Members are asked to note the annual accounts for 2012/13.

Background Papers:

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

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

2012/13 Final Accounts working papers.
