



AGENDA ITEM: 8

**AUDIT & GOVERNANCE COMMITTEE:
25 June 2013**

Report of: Borough Treasurer

Relevant Managing Director: Managing Director (People and Places)

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SUBJECT: STATEMENT OF ACCOUNTS

Borough wide interest

1.0 PURPOSE OF THE REPORT

1.1 To provide details on the preparation of the Statement of Accounts for the year ended 31st March 2013.

2.0 RECOMMENDATIONS

2.1 That this report be noted.

2.2 That a further report to approve the audited statement of accounts be produced for the next meeting of the Committee.

3.0 BACKGROUND

3.1 It is part of the terms of reference of this Committee that it will approve the Council's Statement of Accounts by the 30th September each year.

4.0 AUDIT PROCESS

4.1 The Accounts and Audit Regulations 2011 require that by the 30th June each year that the Council's Chief Finance Officer must sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position and performance of the body for that year. At the time of writing this report, the accounts are being reviewed and verified, and are on course to be produced by the due date. Once the accounts are finalised it is intended that they will be published on the Council's website and a link sent to all Council Members, with paper copies being made available on request.

- 4.2 Over the course of the summer our external auditors – Grant Thornton – will conduct an audit of the accounts. The summer period will also provide Members with the opportunity to scrutinise the accounts in detail and request any additional information or raise any issues.
- 4.3 Regulations require that our external auditors report on their findings from the audit directly to Members before the end of September. This report will be presented to the next meeting of the Audit and Governance Committee, and at that time the Committee will be asked to approve the audited accounts.

5.0 KEY FEATURES OF THE ACCOUNTS

5.1 The Statement of Accounts is a technical document that has to be prepared in accordance with complex accounting rules and regulations, and typically is around 90 pages long. To assist Members, a short summary of the key features in the accounts on financial performance are set out below:

- The final outturn position on the General Revenue Account is a favourable budget variance of £211,000. It is intended that the Major Service Review report to Council in July will set out the proposed use of these monies
- The level of GRA balances was reduced by £190,000 to £960,000 in line with the Reserves policy agreed by Council in February. This reflects the fact that the level of balances is based on the net budget requirement which has reduced in recent years. This funding has been transferred to earmarked reserves to form part of the new Business Rate Equalisation Reserve which was also approved as part of the Reserves policy
- The level of GRA earmarked reserves has increased by £1.126m. This partly reflects the transfer from balances above but also reflects the funds of £988,000 allocated for capital investment purposes that will be spent in 2013-14. These include schemes for Moor Street, CCTV cameras, Blue Wheelie Bins and Firbeck and Findon
- The Capital Receipts Reserve has reduced by £0.743m to £3.518m, as current levels of expenditure are in excess of the capital receipts being generated. This position is being managed through the Council's medium term capital programme setting process
- The HRA achieved its revenue budget targets for the year and also increased its capital investment in dwellings by just over £1.7m to £6.760m. HRA balances remained unchanged at the year end, while HRA earmarked reserves were increased by further funding to be spent on capital investment in 2013-14
- The Major Repairs Reserve was fully spent on Housing Capital Investment purposes, and the balance at the year end was zero

6.0 SUSTAINABILITY IMPLICATIONS / COMMUNITY STRATEGY

6.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

7.0 RISK ASSESSMENT

7.1 The formal reporting of the Council's financial performance and position is part of the overall control framework that is designed to minimise the financial risks facing the Council.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

Appendices

None