

Audit & Governance Committee – 29th October 2013

Statement of Accounts 2012/13



Report of the Corporate Head of Financial Management

Ward(s) affected: All

1. Purpose of Report

- 1.1 To present the 2012/13 Statement of Accounts.

2. Recommendations

- 2.1 Members are recommended to receive and approve the Statement of Accounts for 2012/13 (attached at Appendix A).

3. Background Information

- 3.1 The Accounts and Audit Regulations 2011 require Members approve the Council's audited statutory accounts by 30 September following the financial year-end. Due to issues with the accounts highlighted at the meeting on 24th September the audit of the accounts could not be concluded and it was agreed following discussions with the external auditor that an extension was required
- 3.2 With effect from 1 April 2011 the draft Statement of Accounts submitted to the auditor only needs to be signed by the Council's Chief Financial Officer (Corporate Head of Financial Management s151) by 30 June.
- 3.3 The 2012-13 accounts have been produced under the requirements of International Financial Reporting Standards (IFRS) basis.

4. The Report

- 4.1 In line with changes implemented in the 2011 Accounts and Audit Regulations, the 2012/13 Unaudited Statement of Accounts were approved on the 27th June 2013 by the Deputy Section 151 Officer. The Audit and Governance Committee are now recommended to approve the final version as the Auditors - Mazars have completed their audit work.

- 4.2 The Statement of Accounts represents the culmination of the formal financial reporting obligation placed upon the Council and the content of the Accounts as presented is largely prescribed by statutory and professional guidance.
- 4.3 The following points highlight the major movements in the Statement of Accounts for 2012/13, compared with 2011/12:
- Net Cost of Services has decreased by £0.467m to £6.522m (2011/12: £6.989m).
 - There is a Deficit on the Provision of Services of £0.942m (2011/12: showed a deficit of £1.918m)
 - Total Reserves have decreased by £4.955m to £1.625m (2011/12: £6.580m)
 - The General Fund balance has been maintained at £1,030k
 - Earmarked reserves have increased by £840k to £1,726k (2011/12: £886k).
- 4.4 As part of the preparation of the 2012/13 accounts certain adjustments were required to the 2011/12 accounts. The impact of these changes are shown in the Statement of Accounts
- 4.5 It is important that the Council has sound financial, governance and resources management arrangements in place to ensure that resources are available and used to support the Council's priorities, improve services and secure value for money for our tax payers.
- 4.6 Specifically in respect of financial statements members are expected to "exercise collective responsibility for, and prioritise, financial reporting and demonstrate robust challenge and scrutiny".
- 4.7 To assist councillors in this regard, an explanatory paper is attached at Appendix B. The Statement of Accounts also contains an explanatory foreword, which highlights the key issues arising from the financial year 2012-13, and considers these in the context of the council's future financial prospects. Councillors are asked to consider the Statement of Accounts in detail along with the supporting notes, and either raise issues with the Corporate Head of Finance s151 prior to the meeting so that a response can be prepared or discuss any such matters as necessary and appropriate at the meeting of the Committee.
- 4.8 The accounts were made available for public inspection from 8 July until 2 August and the auditor was available on 5 August to answer queries regarding the accounts. No queries were received by the Council.
- 4.9 The Audit and Governance Committee are now recommended to approve the final version as the Audit Commission have completed their audit work.

5. Implications

5.1 Financial and Value for Money Implications

None

5.2 Legal implications

It is a statutory requirement for the Council to produce its annual statement of accounts for approval by a relevant committee which for this council is Audit & Governance.

5.3 Contribution to Council Priorities

Financial resilience through appropriate procedures and practices

5.4 Risk Management

None

5.5 Equality Impact Assessment

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

6. Consultations with Others

None

7. Access to Information : Background Documents

Annual statement of accounts 2012/13

8. Author of the Report

Nicola Chick – Interim Finance Manager & Deputy s151
Telephone: 01756 706418
E-mail: NChick@cravendc.gov.uk

9. Appendices

Appendix A – 2012/13 Statement of Accounts
Appendix B – Explanatory paper to support the accounts.