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<b>GA.25 14/15</b>
Governance & Audit Committee
<b>25September 2014</b>

**Subject: Audited Statement of Accounts 2013/14**

Report by:	Chief Executive and Chief Finance Officer
Contact Officer:	Russell Stone Financial Services Manager 01427 676542 <a href="mailto:Russell.Stone@west-lindsey.gov.uk">Russell.Stone@west-lindsey.gov.uk</a>
Purpose / Summary:	The 2013/14 Statement of Accounts is presented for scrutiny and adoption.

**RECOMMENDATIONS:**

- 1) That Members review the attached Statement of Accounts and confirm that there are no concerns arising from the Financial Statements that need to be brought to the attention of the Council.**
- 2) That Members approve the Statement of Accounts for 2013/14.**
- 3) That Governance & Audit Committee permit the Section 151 Officer and the Chair of this Committee to certify the letter of representation to our Auditor, KPMG, on completion of the audit.**

## IMPLICATIONS

### Legal:

None arising from this report.

### Financial: FIN57/15

The Revenue out-turn reflected a surplus of £1.783m.

Capital Investment totalled £2.251m

General Fund revenue reserves have increased by £1.514m in 2013/14 to £14.391m, with the General Fund working balance totalling £2.160m (£2.327m 2012/13) and which is supplemented by specific earmarked reserves of £12.231m (£10.550m 2012/13).

### Staffing :

None arising from this report.

### Equality and Diversity including Human Rights :

*NB: A full impact assessment **HAS TO BE** attached if the report relates to any new or revised policy or revision to service delivery/introduction of new services.*

### Risk Assessment :

None arising from this report.

### Climate Related Risks and Opportunities :

None arising from this report.

### Title and Location of any Background Papers used in the preparation of this report:

Code of Practice on local authority accounting in the United Kingdom 203/14.

Code of Practice on Local Authority Accounting in the United Kingdom – Guidance notes for practitioners 2013/14 Accounts.

The Accounts and Audit (England) Regulations 2011 – Statutory Instrument Number 817

All papers are located in the Financial Services section, Guildhall

### Call in and Urgency:

**Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?**

Yes

No

**Key Decision:**

Yes

No

## **1 Introduction**

- 1.1 The Statement of Accounts for 2013/14 has been prepared under the International Financial Reporting Standards based Code of Practice on Local Authority Accounting (the Code).
- 1.2 Following the Accounts and Audit Regulations 2011 the Council's Statement of Accounts, subject to audit, must be certified by the Chief Finance Officer and published before the 30<sup>th</sup> June. Following completion of the external audit the Council must formally approve the accounts before the end of September.
- 1.3 This Committee is responsible for the approval of the Statement of Accounts and any material amendments of the accounts recommended by the auditors.
- 1.4 The Annual Governance Statement (AGS) can be published separately or can 'accompany' the Statement of Accounts in the same document. This Committee on 27 June 2011 resolved to continue to publish one document, clearly identifying that these are separate statements.
- 1.5 As part of the external audit process the Chair of this Committee and the Chief Finance Officer have provided written assurance to the auditors on a number of matters relating to the processes in place to prevent, detect and report fraud.
- 1.6 Following the certification of the accounts on 30th June 2014 by the Chief Financial Officer our auditors (KPMG) have carried out their final accounts audit. This has resulted in some changes being made to the statement of accounts that were originally certified by the Chief Finance Officer and published.
- 1.7 A significant adjustment has been made to the Balance Sheet, Current Assets which relates to an investment of £5m (95 day notice account) originally included within Cash and Cash Equivalents. In accordance with our Accounting Policy, any investment maturing after 3 months should be classified as a Short Term Investment, therefore a reclassification has been undertaken. There is no overall impact on the Balance Sheet with regard to this adjustment. All supplementary notes have been amended.

## **2 Amendments to the Statement of Accounts**

- 2.1 A transaction of £0.133m relating to a duplicate Creditor had been corrected by the creation of a Debtor in the unaudited Balance Sheet, this has been rectified to reduce the Creditors balance.
- 2.2 After notification from Government, a further Creditor has been accounted for relating to a transitional NNDR retention scheme grant, paid to us on account and becoming repayable upon submission of the NNDR3 return, of £0.062m. This adjustment affected the out turn position, the Balance Sheet, Cash Flow Statement and the Movement in Reserves Statement.
- 2.3 A Short Term Provision was originally misclassified within the Cash Flow Statement as a Short Term Creditor (£0.133m), this does not affect any other Statements.
- 2.4 All supplementary notes have been amended for the items listed above.

## **3 Summary**

- 3.1 The Statement of Accounts 2013/14 attached at Appendix A reflects all the alterations made as a result of the KPMG's audit. The audit findings reflected in this report will be used to inform the finance team's review of the final accounts process and the identification of improvements for 2014/15.
- 3.2 It is recommended that Members having considered the Statement of Accounts, confirm that there are no concerns arising from the Financial Statements that need to be brought to the attention of the Council.
- 3.3 Members are requested to approve the Statement of Accounts for 2013/14 and permit the Chief Finance Officer in consultation with the Chair of this Committee to certify the letter of representation to KPMG on completion of the audit.