

Report of the Cabinet Member for Finance, Performance and Customer Services

Statement of Accounts 2012/13 – Annual Financial Report 2012/13

Summary

1. The pre-audited Statement of Accounts in 2012/13 is part of the wider Annual Financial Report and are authorised in the Statement of Responsibilities by the Chief Finance Officer (CFO). The CFO (the Director of Customer & Business Support Services) signed the draft pre-audit Statement of Accounts for 2012/13 on 30 June 2013. This requirement is in accordance with the revised Accounts and Audit Regulations 2011.
2. In accordance with the Chartered Institute of Public Finance (CIPFA) it is good practice that authorities report the draft pre-audit accounts to Members after they have been signed by the CFO. This allows Members to review the draft, together with the Annual Governance Statement (AGS), before the audit and raise any points that may need to be addressed.

Background

3. The report sets out the background for the requirement of Members to review the draft pre-audit accounts. The Annual Financial Report, which includes the draft pre-audit Statement of Accounts, is attached at Annex B.
4. To assist in the understanding of the draft pre-audit Statement of Accounts a brief explanation and information on the constituent parts of the Statement of Accounts (in the order in which they are produced) is attached at Annex A. The presentation provided to the Audit & Governance Committee today will enhance Members' understanding of the Accounts and facilitate robust scrutiny prior to final review and approval of the Statement of Accounts in September 2013.

5. Following the authorisation of the Chief Finance officer on 30 June 2013 the accounts have been available for public inspection since 29 July 2013 and will continue to be available for 20 working days, with 27 August 2013 being the date on or after which local government electors for the area to which the Accounts relate may exercise their rights to question the auditor about the accounts. The Audit Commission expects to issue a report and opinion by the end of September 2013.
6. The pre-audit Statement of Accounts 2012/13 has been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the UK. The pre-audit Statement of Accounts is produced in line with International Financial Reporting Standards (IFRS) which are the accounting standards used across the world making Local Authorities' Accounts more comparable with the private sector and worldwide.
7. There are no significant changes in the form or substance of the Annual Financial Report from 2011/12.

Options

8. As this is a statutory requirement, no options are presented as part of this report.

Corporate Priorities

9. The Statement of Accounts provides a technical financial summary of the activities of the council and assists in providing the Council with a viable financial position on which to base future budget projections. It is a statutory requirement that the accounts are approved by the Audit & Governance Committee after the audit but before 30 September 2013.

Implications

10. The implications are
 - Financial – The Statement of Accounts show that for 2012/13 there is a provisional under spend of £84k. This position arises primarily as a result of continued stringent cost control methods exercised during the year which ensure the Councils financial standing has

been maintained. The full details of the outturn position were reported in the Finance and Performance Outturn 2012/13 report presented to Cabinet on 16 July 2013. The level of General Reserves is some £6.4m, compared to a recommended minimum level of reserves of £6.1m. Clearly there are significant financial challenges facing all public sector organisations and the need to maintain reserves will be essential throughout this period.

- Human Resources - there are no human resource implications to this report
- Equalities - there are no equality implications to this report
- Legal - there are no legal implications to this report
- Crime and Disorder - there are no crime and disorder implications to this report
- Information Technology - there are no information technology implications to this report
- Property - there are no property implications to this report
- Other - there are no other implications to this report

Risk Management

11. Areas of risk identified throughout the Final Accounts process are monitored and managed on an ongoing basis to ensure the statutory deadline is met.

Conclusion

12. The production and publication of the Statement of Accounts is a statutory requirement that provides Members and interested parties with the chance to see the full financial position of the Council.
13. Bringing the Statement of Accounts to Audit & Governance provides an opportunity for Member led debate and compliance with defined best practice. It is an important part of Member involvement in corporate governance that scrutiny is undertaken of the Council's Accounts.
14. It is intended that, following a receipt of an unqualified opinion on the accounts from the Auditor, the finalised Statement of Accounts 2012/13 will be published and distributed to all Members and Chief Officers electronically. The Auditor is required to give his opinion as part of the Annual Governance Report to be considered by Audit and Governance Committee no later than the 30th September 2013.

Recommendations

15. It is recommended that the Audit & Governance Committee notes;
- a. the draft pre-audit Statement of Accounts for the financial year ended 31 March 2013 and
 - b. the annual governance statement

Reason: To ensure that, in line with best practice, Members have had the opportunity to review the pre-audit Statement of Accounts.

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Specialist Implications Officer(s) None

Wards Affected: *List wards or tick box to indicate all* **All**

For further information please contact the author of this report

Annexes

- A – Explanation of core statements
- B – Draft Statement of Accounts 2012/13