

Committee: Performance & Audit

Agenda Item

Date: 30 July 2015

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Title: 2014/15 Draft Statement of Accounts

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Item for information

Summary

1. At its meeting on 24 September 2015, the Committee will be requested to approve the audited Statement of Accounts for 2014/15, along with the External Auditor's Annual Governance Report.
2. To familiarise Members with the document, the draft Statement of Accounts is presented to tonight's meeting. The draft Statement of Accounts was published on 16 June and is consistent with the outturn results approved by Cabinet on 18 June.
3. At the meeting officers will draw Members' attention to the key items in the accounts, and Members have an opportunity to ask questions. Officers shall also be pleased to meet with individual Members separately to discuss the accounts.
4. There are no significant changes to the format and content of the accounts this year. Members' attention is drawn to the 'Significant Matters' and 'Key Results' sections of the Explanatory Foreword (i-xiii).
5. The external audit of the accounts is in progress.
6. The final audited accounts, together with the external audit report of confirmed issues arising, will be presented to the Committee on 24 September 2015.
7. At time of writing, 2 Members had not completed their Related Party Declaration forms.

Recommendations

8. The Committee is recommended to:

- review the draft Statement of Accounts for 2014/15
- identify any additional information or assurance that would assist with the Committee's approval of the Accounts at the September meeting.

Key items in the Accounts

9. Long term assets increased in value by £36.7m, of this £36.6m relates to the revaluation of our Housing Stock and other Land and Buildings. The revaluation is carried out by an independent valuation Company; Wilkes, Head and Eve and is due to consistent growth in market values within the local area.
10. Long term liabilities have increased by £5.1m; this is a net movement of which an increase of £5.2m relates to the movement in our pension deficit liability. This is the net effect of an increase in the return on the assets invested by the actuary and the reduced yield on high quality bonds. The decrease of £0.1m is made up of various minor reductions in grants and deferred liabilities.
11. Debtors have reduced by £4.1m meaning we are owed less money. This is due to a combination of factors; the majority relates to movements and changes to accounting procedures relating to the collection fund, including the settlement of the business rates safety net payment.
12. Creditors have reduced by £7.6m meaning we owe less money to external bodies e.g. suppliers. This again is due to mainly to the movements and changes to accounting procedures in the collection fund. This movement also includes the business rates appeals provision reduction of £1m, due to clearer guidance and new legislation regarding the period in which an appeal can be backdated.

Background Papers

None.

Impact

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|---------------------------------|------------------------|
| Communication/Consultation | No direct implications |
| Community Safety | No direct implications |
| Equalities | No direct implications |
| Health and Safety | No direct implications |
| Human Rights/Legal Implications | No direct implications |
| Sustainability | No direct implications |
| Ward-specific impacts | No direct implications |
| Workforce/Workplace | No direct implications |

Risk Analysis

| Risk | Likelihood | Impact | Mitigating actions |
|---|---|---|---|
| The auditor is unable to issue an unqualified opinion on the accounts due to unresolved errors and delays completing the audit. | 1 - extensive checks and references to CIPFA code and practitioner guides on all areas of the accounts. | 4 – failure of audit and lack of confidence in the financial management of the council. | Continuous liaison with the External Auditors to identify areas of concern early and remedy the issues effectively. |