

**Report to:** Audit Committee

**Date of meeting:** 30 June 2015

**Report of:** Nigel Pollard – Acting Head of Finance Shared Services

**Title:** Draft Statement Of Accounts For 2014/15

1.0 **SUMMARY**

1.1 This report allows the Committee to consider the Draft Statement of Accounts for 2014/15.

2.0 **RECOMMENDATIONS**

2.1 That the Committee seeks any clarification it needs concerning the Draft Statement of Accounts for 2014/15,

That the Committee confirms that it is satisfied that the accounting policies adopted are the most appropriate.

**Contact Officer:**

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**Report approved by:** Joanne Wagstaffe Director of Finance

### 3.0 **DETAILS**

- 3.1 The Accounts and Audit (England) Regulations 2011 introduced a more sensible approach to auditing and approving the annual statement of accounts. Rather than the Committee approving the Statement subject to audit prior to 30 June, and receiving the auditor's report before the end of September, with the possibility of having to then re-approve the Statement, the regulations now state that whilst the accounts still have to be completed by 30 June, they are not approved by members before they have been audited. This allows amendments to be made and the auditor's report to be taken into account before approval.
- 3.2 The Auditor's 'Report to those charged with Governance' will be considered by the Committee on 28 September 2015.
- 3.3 The Council's Draft Statement of Accounts for 2014/2015 will be circulated separately.
- 3.4 The purpose of the Statement of Accounts is to give interested parties an understanding of the Council's financial position. It also provides an opportunity to compare how the Council performed financially against its original plan published when setting the budgets in January 2014. Members are referred to the Foreword to the Statement of Accounts.
- 3.5 The Financial Statements have been prepared under International Financial Reporting Standards (IFRS), a statutory accounting framework which has replaced the United Kingdom Generally Accepted Accounting Principles (UK GAAP). The Chartered Institute of Public Finance and Accountancy produces a Code of Practice on Local Authority Accounting which reflects the statutory requirements and has been followed in preparing the financial statements.
- 3.6 A draft Annual Governance Statement (AGS) is considered elsewhere on this agenda and will be incorporated into the Statement for final approval. This Committee is monitoring progress on the system of internal control and the action plans deriving from the AGS.
- 3.7 The accounting statements essentially summarise the cost of providing services during the year, balances held at the 31 March 2015 with supporting information in Notes to the Statements. To assist the scrutiny function of the Statement of Accounts, Members are referred to the Explanatory Foreword. The Foreword reports the statutory accounting statements in a format that Members will be familiar with from monthly reporting during the year. This includes the Revenue and Capital Plans for the year and allows comparison with the outturn and provides analysis for the key variances during the year
- 3.8 This recommendation allows the Committee to ask questions about the Draft Statement of Accounts for 2014/15 prior to their approval in September.

## 4.0 **IMPLICATIONS**

### 4.1 **Financial**

4.1.1 The recommendations in this report are within the Council's agreed policy and budgets. The out-turn figures for 2014/15 will be reviewed to establish on-going implications on the three year medium term financial plan.

### 4.2 **Legal Issues** (Monitoring Officer)

4.2.1 The Accounts and Audit Regulations 2011 state the responsible financial officer of a larger relevant body must, no later than 30th June immediately following the end of a year, sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the body at the end of the year to which it relates and of that body's income and expenditure for that year.

### 4.3 **Equalities**

None Specific.

### 4.4 **Potential Risks**

There are no risks associated with the decisions members are being asked to make.

## **APPENDICES**

Appendix 1 Draft Statement of Accounts 2014/15 (circulated separately)