

AUDIT COMMITTEE

12 MARCH 2015

STATEMENT OF ACCOUNTS 2014/15

REPORT OF CHIEF FINANCE OFFICER

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RECENT REFERENCES:

AUD085: Statement of Accounts 2013/14, 11 March 2014

EXECUTIVE SUMMARY:

The purpose of this report is to update the Committee on the actions taken to ensure that the Statement of Accounts for 2014/15 are fully compliant with requirements.

Legislation requires that the pre-audit Statement of Accounts is signed by the Chief Finance Officer by 30 June, and that the audited Statement of Accounts is approved by Members, by 30 September, annually.

The external auditors, Ernst & Young will undertake "pre-statement" work in April and conduct the main audit work in August.

RECOMMENDATION:

That the Audit Committee notes this report in respect of the Statement of Accounts for 2014/15.

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STATEMENT OF ACCOUNTS 2014/15

REPORT OF THE CHIEF FINANCE OFFICER

1. Introduction

- 1.1. The purpose of this report is to inform the Audit Committee on the preparation of the Statement of Accounts for 2014/15.
- 1.2. Legislation requires the pre-audit Statement of Accounts to be signed by the Chief Finance Officer by 30 June, and the final, audited, Statement of Accounts to be approved by Members, by 30 September, annually.
- 1.3. The Statement of Accounts is prepared in accordance with “proper practices” as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and any subsequent Local Authority Accounting Panel (LAAP) recommendations.

2. Preparation

- 2.1. In recent weeks, relevant officers have attended several external training events to ensure they have the necessary up-to-date knowledge of accounting requirements, and understanding of any changes to the Code since last year.
- 2.2. Although there have been a number of accounting changes, principally introduced by the Code of Practice on Local Authority Accounting in the United Kingdom 2014/15, none of them will result in significant changes to the Council’s Statement of Accounts; they mainly result in presentational changes to the disclosure notes.
- 2.3. The requirements for group accounts have resulted in a review of and group structures, in relation to the Joint Environmental Services Contract. This has the impact of the Contract being re-classified from being a Joint Venture to a Joint Arrangement due to assets and costs being shared on usage and now being accounted for as ‘normal’ business within the accounts and requiring no additional disclosure.
- 2.4. The draft format of the Accounts for 2014/15, including the comparative figures for 2013/14 has already been prepared, and a detailed timetable for the preparation of the Accounts has been implemented. Meetings have been held with the Estates team and Conditions of Engagement have been issued to the Head of Estates setting out requirements for Valuations and other information needed for the completion of the year end accounts.
- 2.5. In addition, the Council’s accounting policies have been reviewed and no changes are currently being proposed.

OTHER CONSIDERATIONS:

3. COMMUNITY STRATEGY AND PORTFOLIO PLANS (RELEVANCE TO):

- 3.1. Preparation of the Statement of Accounts is fundamental to the operation of the Council. Achieving corporate priorities must go in hand with accounting for how the Taxpayer's money has been spent.

4. RESOURCE IMPLICATIONS:

- 4.1. None directly arising from this report.

5. RISK MANAGEMENT ISSUES

- 5.1. The financial implications of the Silver Hill Judicial Review finding on the Accounts for 2014/15 is currently under consideration, and is likely to impact on the financial outturn position.

6. BACKGROUND DOCUMENTS:

None