

<b>16 July 2015</b>		<b>ITEM: 13</b>
<b>Standards and Audit Committee</b>		
<b>Financial Statements and Annual Governance Statement Update</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Non - Key	
<b>Report of:</b> Sean Clark, Head of Corporate Finance		
<b>Accountable Head of Service:</b> Sean Clark, Head of Corporate Finance		
<b>Accountable Director:</b> David Bull, Interim Chief Executive		
<b>This report is Public</b>		

## **Executive Summary**

This report is for noting: The 2014/15 Financial Statement and Annual Governance Statement have been submitted to Ernst and Young for audit, the results of which will be reported back to this committee in September.

Members should note that there is no longer a requirement to bring these documents to the committee at this stage. Officers will circulate the documents to members for information to enable them to review the information prior to the committee meeting in September enabling them to approve the final Statements at this point.

### **1. Recommendation(s)**

**1.1 That members note the Draft Annual Governance Statement and Financial Statements have been completed and passed to Ernst and Young for auditing**

### **2. Introduction and Background**

2.1 The Financial Statements has been completed in accordance with statutory deadlines and reflect the requirements of the CIPFA/LASAAC Code of Practise on Local Authority Accounting (The Code).

2.2 Council underspent against the general fund balance by £0.028m in 2014/15

- 2.3 In 2013/14 there were two uncorrected items relating to information received after the closure of the accounts. While these were not material to the Council these have both been corrected for in 2014/15.
- 2.4 The Council is prepared for the upcoming audit and has liaised with the auditors to discuss any issues arising in advance for the audit. Their interim audit work is substantially complete with no significant issues highlighted to date. Similarly the audit of the IT systems is largely complete?
- 2.5 The Annual Governance Statement requires approval by the committee under the Accounts and Audit Regulations 2011. It is noted as good practice by CIPFA to complete this before the approval of the Financial Statements. Consequently the final statement will be approved at the same meeting in September.
- 2.6 The Annual Governance Statement reflects the continuous improvement made by the Council in resolving governance issues. The actions identified in the 2013/14 Statement have been reviewed and addressed within the year where possible. The governance framework remains sound and continues to support the delivery of priorities in the borough.

### **3. Issues, Options and Analysis of Options**

- 3.1 There are no issues arising from this report. The Financial Statements and Annual Governance Statement have been submitted for audit and the committee will receive a report back in September, accompanied by a report by Ernst and Young.

### **4. Reasons for Recommendation**

- 4.1 For the committee to note the completion of both statements

### **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 All services and senior management have been consulted in the compilation of both documents.

### **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 The level of resources and how they are allocated will affect the amounts available towards the Council's overall aims and objectives.

### **7. Implications**

#### **7.1 Financial**

Implications verified by: **Sean Clark**  
**Head of Corporate Finance**

The statements are largely governed by the code. Apart from reporting the Council's financial position as at 31 March 2015, there are no financial implications arising directly from this report.

## 7.2 Legal

Implications verified by: **David Lawson**  
**Monitoring Officer**

There are no legal implications from this report.

## 7.3 Diversity and Equality

Implications verified by: **Natalie Warren**  
Community Development and Equalities Manager

There are no diversity and equality implications from this report.

## 7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

There are no other implications from this report.

## 8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- There are detailed working papers to support the financial accounts in Corporate Finance.
- The Annual Governance Statement draws on a range of documents from around the Council.

## 9. Appendices to the report

- There are no appendices to this report

### Report Author:

Sean Clark  
Head of Corporate Finance  
Corporate Finance