# ITEM 8 Statement of Accounts 2013/14

Report of the Head of Finance

# Recommended:

- 1. Ernst & Young's Annual Governance Report (Annex 1):
  - a. That the matters raised in the report be considered before authorising the financial statements for issue,
  - b. That the proposed audit opinion and value for money conclusion be noted.
  - c. That the letter of representation (Annex 2) be approved.
- 2. That the audited Annual Statement of Accounts for the financial year 2013/14 (Annex 3) be approved.

### SUMMARY:

- The Council is required to prepare an Annual Statement of Accounts and have those accounts audited. This report presents the audited Annual Statement of Accounts for approval together with the Annual Governance Report of the Council's external auditors, Ernst & Young.
- The Statement of Accounts is presented with an unqualified opinion; this means the auditors found no unadjusted material errors or misstatements in the accounts.

## 1 Introduction

- 1.1 The Council is required to produce and approve an Annual Statement of Accounts for each financial year.
- 1.2 The accounts for the year ended 31 March 2014 have now been audited by Ernst & Young and the Annual Statement of Accounts, together with the auditor's Annual Governance Report are presented here for approval.

### 2 Ernst & Young's Annual Governance Report

2.1 As part of the reporting process, an Ernst & Young director produces an Annual Governance Report (AGR). This is shown in Annex 1.

- 2.2 The AGR details findings in respect of the audit of the accounts and investigations into the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 2.3 An unqualified opinion has been given in respect of both the Annual Statement of Accounts and the Council's value for money arrangements. This means that the auditors found no material areas of concern as part of their audit.

#### 3 2013/14 Statement of Accounts

- 3.1 The accounts were prepared in accordance with statutory guidance and deadlines.
- 3.2 The Head of Finance approved the draft financial statements for audit on 30<sup>th</sup> June 2014. Following this, the accounts were submitted to Ernst & Young along with relevant working papers in order that the audit could be carried out.
- 3.3 With the exception of some small disclosure changes, there have been two amendments to the accounts since the Head of Finance approved them for audit. These were:
  - A change in the analysis of expenditure on the Comprehensive Income & Expenditure Statement. This related to income and expenditure on cemeteries and emergency planning. There was no net change to the overall figures as a result of this.
  - Additional wording has been provided in note 36 (Post Balance Sheet Events) in light of more up-to-date information regarding the disposal of the Council's former offices at Duttons Road, Romsey.
- 3.4 Before approving the Annual Statement of Accounts, Councillors should consider the Council's Annual Governance Statement shown at the end of the Statement of Accounts (Annex 3). This remains unchanged from the statement approved by Council on 25<sup>th</sup> June 2014.

#### 4 Conclusion and reasons for recommendation

- 4.1 The Statement of Accounts presented with this report is recommended to be approved by the General Purposes Committee as the Council's audited Statement of Accounts for 2013/14.
- 4.2 Ernst & Young has issued an unqualified opinion in respect of both the Annual Statement of Accounts and on the Council's ability to deliver value for money.
- 4.3 The reason for the recommendation is to comply with a statutory duty to approve the Council's audited Statement of Accounts by 30<sup>th</sup> September each year.

Background Papers (Local Government Act 1972 Section 100D)			
Confidentiality			
It is considered that this report does not contain exempt information within the meaning of Schedule 12A of the Local Government Act 1972, as amended, and can be made public.			
No of Annexes:	3	File Ref:	
(Portfolio: Economic) Councillor Giddings			
Officer:	Carl Whatley	Ext:	8241
Report to:	General Purposes Committee	Date:	24 September 2014