

APPENDIX D

WAVERLEY BOROUGH COUNCIL

AUDIT COMMITTEE – 17 SEPTEMBER 2014

Title:

STATEMENT OF ACCOUNTS 2013/2014

[Wards Affected: N/A]

Summary and purpose:

The purpose of this report is for the Audit Committee to consider and approve the Statement of Accounts for the year ended 31st March 2014.

How this report relates to the Council's Corporate Priorities:

Waverley's published Accounts are a key document that helps to demonstrate the Council's accountability for public funds. The accounts support the Council's key objective of providing good value for money by showing how the Council's resources have been utilised.

Equality and Diversity Implications:

There are no implications arising from this report. The Statement of Accounts can be provided in larger print if required.

Resource and legal implications:

There are no direct resource implications resulting from the 2013/2014 Statement of Accounts. The Accounts set out Waverley's financial position at the year-end in a format which is prescribed by Regulations and the Local Government Accounting Code of Practice.

Introduction

1. The Accounts and Audit Regulations set out the requirements for the production and publication of the annual Statement of Accounts. These Regulations, as revised in 2011, incorporate a statutory requirement for the Draft Statement of Accounts to be approved by a resolution of a Committee of the relevant body by 30th September.
2. The Section 151 Officer (Deputy Chief Executive) retains responsibility for the preparation of the Statement of Accounts and is required to certify their fair presentation by the 30th June. The Members' role in approval is to demonstrate their ownership of the Statement of Accounts and their confidence in both the responsible financial officer and the process by which the accounting records are maintained and the Statement of Accounts prepared. In February 2007, the Council formally delegated the authority for approving Waverley's annual accounts to the Audit Committee. In June 2014

Members of the Audit Committee received the draft 2013/2014 Accounts and were invited to meet with officers to receive detailed training and/or to respond to any questions about them.

Statement of Accounts 2013/14

3. The Statement of Accounts for 2013/2014 is included with the Agenda as a separate document at Annexe 1. The Foreword to the Accounts highlights the key issues and shows the headline figures.
4. The audit of the Council's accounts for 2013/2014 by Grant Thornton is complete and the Audit Findings Report is included on this agenda. The Audit Findings Report did not identify any adjustments affecting the Council's reported financial position and the report gives the following key messages:
 - The Council's draft financial statements were of a high standard.
 - The Council's excellent working papers and early highlighting of potential financial reporting issues again contributed to a smooth audit process.
5. The format and content of the accounts is largely prescribed by regulation and codes of practice. It is a requirement that the accounts are arranged with all core financial statements grouped together with all notes to these statements following after in a separate section. The supplementary statements, Housing Revenue Account and Collection Fund, are grouped separately with their corresponding notes section.
6. The full draft Statement of Accounts and a Summary Statement is available on the Council's website. This will be replaced with the final version following the Audit Committee meeting on the 17th September.
7. It is a requirement that the Council issues a Letter of Representation to its external auditors at the conclusion of the Accounts and audit and this is referred to in Grant Thornton's Audit Findings Report also on this agenda. The draft Letter of Representation is attached at Annexe 2.

Going Concern Report

8. International Audit Standards require the Audit Committee to provide confirmation that the 2013/14 Accounts have been prepared on a 'going concern' basis. The going concern concept is one of the core principles underpinning local authority accounting practice and refers to the assumption made when the Accounts are prepared that the organisation will continue to operate for at least 12 months following the accounting period in question, taking into consideration best estimates of future activity and cash flows.
9. The main issues around the application of the 'going concern' concept are to consider the medium term financial plans and cash flow forecasts in existence at the time of the accounting year-end. Waverley's Medium-Term Financial Strategy (2014/15 to 2017/18) was reviewed by Members in February when

setting the Budget and again in June when considering the outturn position. More recently, the latest Strategy projections were presented to Members at the annual finance seminar on the 9th September. The latest strategy statement shows a strong position going forward with general Fund and HRA balances at a level which exceeds the minimum amount projected for at least the next 4 years. Also, the projections show that reserves and revenue contributions should be sufficient to deliver the Council's capital programme requirements in the medium term. Material cash flow movements are monitored and outflows are expected to be covered by revenues and treasury management activity in the year ahead.

10. Waverley has prepared a detailed Medium Term Financial Strategy that forecasts the Council's financial performance during the 4 year period from 2014/15 to 2017/18, therefore, it is clear that the Council has sound plans to continue operating and there is no uncertainty concerning the continuing operations of the Council.

Recommendation

It is recommended that the Audit Committee

1. approves the Statement of Accounts for the financial year ended 31st March 2014; and
2. approves the Letter of Representation for 2013/2014; and
3. confirms that the accounts have been prepared on a going concern basis

Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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