

**To:** Audit and Governance Committee **Item No:**

**Date:** 26<sup>th</sup> September 2013

**Report of:** Head of Finance

**Title of Report:** Statement of Accounts for the Year Ending 31<sup>st</sup> March 2013

## **Summary and Recommendations**

**Purpose of report:** To submit the Council's Statement of Accounts for approval and authorisation.

**Key decision?** No

**Executive lead member:** Councillor Ed Turner

**Policy Framework:** Budget

**Recommendation(s):**

- a) approve the audited 2012/13 Statement of Accounts and authorise the Head of Finance and Chair of the Committee to sign the Statement of Accounts
- b) approve the Letter of Representation to enable the opinion to be issued

Appendix A - Statement of Accounts

1. On the 27<sup>th</sup> June 2013 the draft 2012/13 Statement of Accounts were certified by the 'Responsible Officer', the Head of Finance as a true and fair view of the financial position of the authority at the 31<sup>st</sup> March 2013, and the authority's income and expenditure during the year. The accounts were duly authorised to be released for audit.
2. The Statement of Accounts for 2012/13, following external audit by Ernst and Young is re-certified by the 'Responsible Officer' and presented to this Audit and Governance Committee for final approval, prior to 30<sup>th</sup> September.
3. The Audit of the statement of accounts is now complete, the auditor has, in line with the Code of Practice, issued a draft report on the outcome of the audit. This is the Annual Governance Report and appears elsewhere on the agenda of this meeting.
4. The auditor is expected to issue an **unqualified opinion** on the financial statements, for the fourth successive year. The auditor has commented in their report that :

**'the audit progressed smoothly with a good standard of working papers provided. The number and scale of errors were much reduced from prior years'**

- 5 There were no material errors found in the accounts
- 6 **Appendix A**, attached, shows a revised set of accounts to those presented to Audit and Governance in June, which incorporates the adjustments required as a consequence of the audit. Notable changes that have been undertaken include:
  - Removing the adjustment for Lord Mayors Deposit scheme from being a prior year adjustment to a current year adjustment as it was below the level of materiality
  - Addition of note 1A, showing a summary of the prior period adjustments relating to leases ;
  - Subsequent event – A note to the account has been included to reflect the decision of Members made at CEB on 11<sup>th</sup> September 2013 to recommend to Council
    - transfers of non-dwelling assets from the HRA to the General Fund with a net book value of around £18 million
    - transfers of cash balances of £7 million from the HRA to the General Fund
  - Amendment to a misstatement of £2.4 million in relation to a bad debt provision in respect of NNDR shown in creditors rather reducing the Debtors balance.

- 7 Also on the agenda is a draft Letter of Representation which this committee is asked to approve. This is a letter from the Council's Section 151 Officer setting out the processes and procedures the

Council adopts to ensure that it is in compliance with its statutory requirements and that it has a sufficiently robust control framework to prevent and detect fraud and irregularities. Ernst and Young require this letter before they issue their opinion.

**Financial Implications**

8 These are covered within the main body of the report.

**Legal Implications**

9 These are covered within the main body of the report.

**Risk Implications**

10 There are no risk implications arising from the recommendations shown in this report.

**Name and contact details of author:-**

Name: Nigel Kennedy

Job title: Head of Finance

Service Area / Department Organisational Development and Corporate Services

Tel: 01865 272708 e-mail: [nkennedy@oxford.gov.uk](mailto:nkennedy@oxford.gov.uk)

This page is intentionally left blank