



To: Audit and Governance Committee
Date: 15th September 2015
Report of: Head of Financial Services
Title of Report: Statement of Accounts for the Year Ending 31st March 2015

Summary and Recommendations

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

Key decision: No

Executive lead member: Councillor Ed Turner

Policy Framework: Efficient and effective Council

Recommendation(s): That the Committee:

- a) Approve the audited 2014/15 Statement of Accounts as certified by the Head of Financial Services and authorise the Chair of the Committee to sign the Accounts
- b) Approve the Letter of Representation to enable the opinion to be issued

Appendices

Appendix 1 Statement of Accounts 2014/15

Appendix 2 Letter of Representation

Background

1. On the 29th June 2015 the draft 2014/15 Statement of Accounts (the Statements) 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 31st March 2015. The accounts were duly authorised to be released for audit.

2. Following audit by Ernst and Young the Statements have been re-certified by the Head of Financial Services and re-presented to this Audit and Governance Committee for final approval, prior to the 30th September deadline in accordance with the regulations.
3. In preparation for the earlier closure dates due to be implemented in 2017/18, (Accounts completed by 31st May and audited by 31st July) the Council completed its 2014/15 draft accounts by 29th May 2015, and submitted them to Audit & Governance in line with the agenda deadline on the 15th June. The accounts and working papers were made available to the Auditors shortly after that and the Auditors started their audit on site on the 20th July.
4. Officers have discussed with the auditors how we can ensure both deadlines are met in future and have offered to trial different approaches with them in order that they can meet their deadline.
5. This 2014/15 audit is still ongoing but it is anticipated that it will be complete by the date of the Audit Committee so that the accounts can be signed off.
6. The auditors have made some recommended changes, in line with the Code of Practice, and have also issued a draft report on the outcome of the audit. This report appears elsewhere on the agenda of the meeting.
7. The auditor is expected to issue an unqualified opinion on the financial statements.

Uncorrected Misstatements

8. The Auditors have not identified any misstatements within the draft financial statements, which officers have not amended in the final version.

Changes to the Statements of Accounts

9. During the audit the external auditors identified a number of changes to the accounts which the Council have made. These changes do not have any material impact on the Council's overall financial position as they relate to disclosure notes, Balance Sheet items or items which are reversed out of the Comprehensive Income and Expenditure Statement (CIES) under normal accounting practice.
10. Appendix 1, attached, includes the adjustments that have been agreed and made as a consequence of the audit. The changes included are:
 - The land element of the Westgate lease was originally recognised by officers as an operating lease by the Council. The Auditors disagreed with this classification and advised that the land element of the lease should be recognised as a finance lease alongside the buildings element.

- The financial Instruments notes included in error some statutory debt such as Council Tax. Statutory debt is specifically excluded from being classified as a financial instrument and therefore changes have been made to the financial instruments notes to reflect this exclusion.

11. At the time of writing this report the audit is still in progress. A verbal update will be given at Audit and Governance Committee of any subsequent changes that need to be made.

Letter of Representation

12. Attached at Appendix 2 is a draft Letter of Representation which the 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.

Climate Change / Environmental Impact

13. There are no issues arising directly from this report

Equalities impact

14. There are no equalities impacts arising directly from this report

Financial Implications

15. During the audit we were made aware of additional information that could be available to officers in relation to the application of accounting standards, this information is available via a subscription, and may assist in the future when making judgements on technical issues. The auditors have recommended that the Council has access to this information.

Legal Implications

16. There are no legal implications directly relevant to this report.

Risk Implications

17. There are no risk implications directly relevant to this report.

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List of background papers: None.

Version number:

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