

ITEM 4

Report of	Nick Gray, Strategic Director and Section 151 Officer
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To	Audit Committee
Date	26 th September 2013
Subject	2012/13 Statutory Accounts and Annual Governance Report

RECOMMENDATIONS

The Committee is asked to:

1. Approve the 2012/13 Statement of Accounts and revised Annual Governance Statement (AGS), for publication on the Council's website and by hard copy, on request, in Appendix A
2. Consider the contents of Grant Thornton's report of Audit Findings 2012/13 in Appendix B
3. Approve the letter of representation from the Council to Grant Thornton in Appendix C

4. Summary

The Statement of Accounts 2012/13 was presented to this Committee on the 27th June for review. Auditors Grant Thornton LLP have now substantially completed their audit on the Statement of Accounts and this is being presented to this Committee for Approval prior to publication. The External Auditor has provided a summary of findings from their 2012/13 audit with recommendations at Appendix B.

The Auditor intends to issue an unqualified opinion on the financial statements and a value for money conclusion stating that the Council had proper arrangements in place for securing economy, efficiency and effectiveness in our use of resources, subject to final resolution of outstanding matters.

Subject to approval by this Committee, the Statement of Accounts will be published in line with the statutory deadline of the 30th September. A version of the Statement of Accounts will also be posted on the Council's website.

5. Background

In accordance with the Audit Regulations 2011 (Regulation 8), there is a requirement that the Annual Statement of Accounts is published by the 30th September, and that it is approved by a resolution of the Committee. The Audit Committee reviewed the Accounts, subject to a formal External Audit, on the 27th June 2013 and further amendments have since been agreed with Grant Thornton in the following table:

Note Number & Page	Description of Amendment	Reason for Amendment	Type of Error	Value £'000	Net Effect £'000
CIES, Balance Sheet, MIRS, Notes 12 & 25 Pages 20 to 22, 40,46 and 59	Other Comprehensive Income & Expenditure – Surplus or deficit on revaluation of PPE reduction to revaluation reserve by £630K	External Valuers double counted the land on their software programme calculations for the revaluation of Dorking Sports Centre	Numerical	630	630
Note 12 PPE, Page 46	Revaluations line on NFS 12.1	Inconsistency when disclosing revaluation losses requiring clear separation of costs – Not affecting the ledger	Disclosure	2,882	0
Note 29 – Reconciliation to Segmental Analysis, Page 66	Internal Recharge income lines on the segmental analysis	A corresponding disclosure note adjustment – no adjusting entries to be made to the ledger.	Disclosure	218	0
Pages 20,21,22 and 59	CIES, Balance Sheet, MIRS, Revaluation Reserve Account	Inconsistency in disclosing a prior year correction to the revaluation reserve.	Disclosure	76	0

6. Corporate Implications

Legal Implications

There are no legal implications contained within this report.

Financial and Risk Implications

Financial implications are contained within the Annual Governance Report.

Equalities Implications

There are no equalities implications as a direct consequence of this report.

Employment Issues

There are no employment implications in this report.

Sustainability Issues

There are no sustainability implications in this report.

Consultation

There are no consultation issues in this report.

BACKGROUND PAPERS

- Statement of Accounts presented to Audit Committee 27th June 2013

- CIPFA's Code of Practice on Local Authority Accounting in United Kingdom 2012/13 (The Code)
- Service Expenditure Reporting Code of Practice in the United Kingdom 2012/13 (SERCOP)
- Revenue Outturn Report 2012/13

APPENDICES:

- Appendix A – Statement of Accounts 2012/13 and revised Annual Governance Statement (AGS) for publication
- Appendix B - 2012/13 Annual Governance Report (AGR)
- Appendix C – letter of representation