

## BABERGH DISTRICT COUNCIL

<b>From: Head of Corporate Resources</b>	<b>Report Number: P50</b>
<b>To: Babergh Audit Committee</b>	<b>Date of meeting: 23 September 2014</b>

### STATEMENT OF ACCOUNTS 2013/14 AND AUDITOR'S REPORT

#### 1. Purpose of Report

- 1.1 To approve the final audited Statement of Accounts for 2013/14 and approve the external auditor's report for the year.

#### 2. Recommendations

- 2.1 That Members approve the external auditor's report for 2013/14 attached at Appendix A.

- 2.2 That Members approve the Statement of Accounts for 2013/14 as set out in Appendix B, which reflects changes made following the completion of the audit.

The Committee is able to resolve these matters.

#### 3. Financial Implications

- 3.1 The General Fund outturn position showed a net favourable variance compared to the budget of £424k for the year (after carry forwards into 2014/15) and this has been transferred to the Transformation Fund to provide additional funding for Strategic Plan delivery projects.
- 3.2 The HRA showed a net favourable variation for the year of £545k with this being transferred to the Housing Strategic Priorities Reserve.

#### 4. Risk Management

- 4.1 This area is not regarded as a significant business risk on the Integrated Significant Business Risk Register. Specific risks are set out below:

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
Material misstatements in the accounts or non-compliance with accounting requirements, resulting in a possible 'qualified' audit opinion or unfavourable audit report.	Low	Marginal	Aim to obtain an unqualified 'true and fair' opinion from the external auditors as a result of: <ul style="list-style-type: none"><li>• Clear arrangements for ensuring compliance with accounting requirements.</li><li>• Analytical review of the outturn against previous year and the Budget.</li><li>• Early discussion on key issues with the auditors.</li></ul>

<b>Risk Description</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Mitigation Measures</b>
Issues or concerns raised by the public from the right to inspect the accounts	Low	Marginal	Open and transparent arrangements and publication of the public's right to inspect the accounts. No issues have arisen.

## **5. Consultations**

5.1 None.

## **6. Equality and Diversity Impact**

6.1 None.

## **7. Shared Service / Partnership Implications**

7.1 None.

## **8. Key Information**

8.1 The draft Statement of Accounts for 2013/14, subject to audit, was signed off by the Section 151 Officer on the 27 June 2014. The anticipated outturn position was reported to Strategy Committee on 11 September 2014 (Paper P46 refers). This included approval to a number of budgets that have been carried forward into this year.

8.2 The audit of the accounts has now been completed by BDO, the Council's external auditors, and their Annual Report is attached at Appendix A. This covers:

- Their opinion on the accounts
- Their views on the control environment and annual governance statement
- Their conclusion on the Council's arrangements to achieve financial resilience and deliver economy, efficiency and effectiveness.

8.3 Some adjustments have been made to the draft accounts as a result of the audit and other things that have arisen since June. None of these have changed the overall outturn position. The final audited accounts reflect these changes.

8.4 In terms of the Statement of Accounts, attached at Appendix B, officers have discussed the various changes to the accounts with BDO and matters arising from the audit as set out in their report.

8.5 In relation to the auditors recommendations on issues raised, Appendix V to the Auditor's report includes Management responses to these.

## **9. Appendices**

<b>Title</b>	<b>Location</b>
A - External Auditor's report for 2013/14	Attached
B - Statement of Accounts 2013/14	Attached

## **10. Background Documents**

10.1 None.

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