

**29 September 2015**

**Audit, Scrutiny and Transformation Committee**

**Statement of Accounts 2014/15**

**Report of:** *Chris Leslie, Finance Director (Section 151)*

**Wards Affected:** *N/A*

**This report is:** *Public*

**1. Executive Summary**

1.1 This report presents the Council's 2014/15 Statement of Accounts for approval following external audit.

**2. Recommendation(s)**

2.1 **That the Statement of Accounts for 2014/15 at Appendix A is approved.**

2.2 **That the Letter of Representation at Appendix B is approved.**

**3. Introduction and Background**

3.1 The main sections in the Statement are:

**a) Explanatory Foreword**

The purpose of this foreword is to provide an easily understandable guide to the most significant matters reported in the accounts.

**b) Movement in Reserves Statement**

This is a summary of the movements in the financial year within the different reserves held by the Council. The reserves are analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves.

**c) Comprehensive Income and Expenditure Statement**

This account brings together the expenditure and income relating to all of the services for which the Council is responsible and demonstrates how the net cost for the year has been financed.

**d) Balance Sheet**

This sets out the financial position of the Authority as the 31 March 2014. The Balance Sheet reflects the balances and reserves, and net current assets employed in all of its operations, together with summarised information on any fixed assets held.

**e) Cash Flow Statement**

This summarises the Council's cash transactions throughout the year.

**f) Notes to the Core Financial Statements including Accounting Policies**

These provide supporting analysis to the Core Financial Statements. The Accounting Policies outline the legislation and principles upon which the Statement of Accounts has been prepared.

**g) Housing Revenue Account Income and Expenditure Statement**

This reflects a statutory requirement to account separately for local council housing provision. It summarises the resources that have been generated and consumed in providing services and managing the Council's housing stock during the last year. It includes all day to day expenses and related income on an accruals basis, as well as transactions measuring the value of fixed assets actually consumed.

**h) Collection Fund**

The Council is required to maintain a separate Collection Fund to receive monies as a billing authority in relation to the Council Tax and National Non-Domestic Rates (Business Rates) and accounts for the distribution of Council Tax to preceptors (Essex County Council and Essex Police and Fire Authorities) and the Council's own General Fund; with the addition of the Government for Business Rates.

- 3.2 The Annual Governance Statement (AGS) is not an official part of the Statement of Accounts, but is provided as a supporting document to publish the governance arrangements in place within the Council to ensure that business is conducted in accordance with the law and proper standards and that public money is safeguarded.

**4. Issue, Options and Analysis of Options**

- 4.1 In accordance with statute, the responsible financial officer must re-sign and authorise for issue the final audited statements. This was done on 11th September. The Council (or delegated Committee) must approve the statements by 30th September at the latest.

4.2 Following external audit there have been no material amendments to the accounts since 30<sup>th</sup> June 2015. There was one amendment made above £0.5m relating to the classification of revaluations losses on HRA garages. The loss of £0.6m was classified as a Non Distributed Cost rather than a cost to the HRA.

4.3 As part of the audit process a letter of representation is required from the Council to enabling the auditors to form an opinion as to whether the financial statements give a true and fair view of the financial position. The letter for approval is at appendix B.

## **5. Reasons for Recommendation**

5.1 A system of sound financial control and governance arrangements underpins all of the services and priorities of the Council.

## **6. Implications**

### **Financial Implications**

**Name & Title:** Chris Leslie, Finance Director (Section 151)

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6.1 The financial implications are contained in the Statement of Accounts.

### **Legal Implications**

**Name & Title:** Chris Potter, Monitoring Officer & Head of Support Services

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6.2 None.

## **7. Appendices to this report**

Appendix A – Statement of Accounts 2014/15

Appendix B – Letter of Representation

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