

AUDIT COMMITTEE – 7 AUGUST 2015

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| Title of paper: | Draft Statement of Accounts 2014/15 | |
| Director(s)/ Corporate Director(s): | Geoff Walker Chief Finance Officer | Wards affected: All |
| Report author(s) and contact details: | Barry Dryden, Senior Finance Manager, Financial Reporting barry.dryden@nottinghamcity.gov.uk 0115 876 2799 | |
| Other colleagues who have provided input: | None | |
| Recommendation(s): | | |
| 1 | Note that the Statement of Accounts was submitted to the Audit Commission for audit review on 29 June 2015. | |
| 2 | Note that the contents of the Statement of Accounts will be placed on deposit for public inspection for 20 working days from 6 July 2015 | |
| 3 | Note that there have been no significant changes to the accounting policies presented to Audit Committee on 27 February 2015 | |
| 4 | Review the Council's position and confirm that it is appropriate for the Statement of Accounts to be produced on a going concern basis. | |
| 5 | Note that the Audit Committee will be required to review the final audited Statement when it is presented on 18 September 2015. | |

1. REASONS FOR RECOMMENDATIONS

- 1.1 The Accounts and Audit Regulations 2011 (the Regulations) require the City Council to produce an annual Statement of Accounts and outline the process for their approval and publication. The Regulations require the Council to make the un-audited Statement available for public inspection.
- 1.2 The Review of Accounting Policies report to Audit Committee on 27 February 2015 stated that any major changes in Accounting Policies would be brought to a future meeting. There are no changes at this time.

2. BACKGROUND

- 1.3 Under regulation 8 of the Regulations, the responsible financial officer has to certify that the Council's pre-audit Statement presents a true and fair view of the income, expenditure and financial position of the Council. In accordance with the Regulations, the Chief Finance Officer (CFO) certified the 2014/15 Statement on 29 June 2015 and the Statement was passed to the external auditors (KPMG) to begin their audit on the same date.
- 2.2 The certification will allow the Statement to be placed on deposit for public inspection for a period of 20 working days from 6 July 2015 to 31 July 2015. A public notice to this effect was placed in the local press on 10 June 2015 and on the Council's website. Following this period, KPMG will be available on or after 3 August 2015 for

any local government elector or their representative to question them about the accounts or make any objections.

- 2.3 The accounting policies presented to Audit Committee on 27 February have been passed to KPMG for review. To date, KPMG have not identified any major changes that are required.
- 2.4 International Accounting Standard 1 requires the Council to undertake an annual review to assure itself that it is appropriate for the Statement to be produced on a going concern basis. In line with best practice, it is recommended that Audit Committee formally confirm that the Council is a going concern. The inherent nature of local authorities is considered to be sufficient to satisfy this requirement; although the work undertaken by the CFO in assessing the Medium Term Financial Plan for the robustness of the budget and adequacy of reserves further supports this.
- 2.5 The Regulations require that the audited Statement is submitted for consideration and approval by the Council or a committee of the Council prior to the end of September in the following financial year. To meet this requirement a further report, supported by the audited Statement, will be brought to the Audit Committee on 18 September.
- 2.6 The Audit Committee's terms of reference include dealing with matters relating to the Statement, and will be required to review the final Statement and consider any findings made by KPMG at the September meeting. As the Statement is a long and complex document, the draft executive summary and main statements are set out in Appendix A. The full Statement is also available at Appendix B.

3. **BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION**

Draft Statement of Accounts
Closedown working papers

4. **PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

Code of Practice on Local Authority Accounting
CIPFA Supplementary Guidance
LAAP bulletins
Accounts and Audit Regulations 2011