

<b>Subject:</b>	<b>Statement of Accounts 2012/13</b>		
<b>Date of Meeting:</b>	<b>25 June 2013</b>		
<b>Report of:</b>	<b>Executive Director Finance &amp; Resources</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Jane Strudwick</b>	<b>Tel:</b> <b>29-1255</b>
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. SUMMARY AND POLICY CONTEXT:**

- 1.1 Under the Accounts and Audit Regulations 2011, the council's Statement of Accounts are to be approved by the Chief Finance Officer by 30 June and following the audit process are to be approved by Members by 30 September each year. Under Brighton & Hove City Council's constitution, the Audit & Standards Committee is charged with this responsibility.
- 1.2 Accordingly, this report presents the unaudited Statement of Accounts for 2012/13 for information purposes only. Copies of the Statement of Accounts are made available to members of the Audit & Standards Committee. At this stage, the accounts have not been audited by the external auditor. It is expected that the external auditor will present an Annual Governance Report to the September meeting of this committee on the conclusion of the audit of the 2012/13 financial statements. An accompanying officer report will be presented to that meeting, to enable Members to consider and approve the statement of accounts.

**2. RECOMMENDATIONS:**

- 2.1 That the Audit & Standards Committee note the Statement of Accounts for 2012/13 and note that these are subject to audit.

**3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 The main legislative requirements relating to the preparation, publication and audit of the council's accounts are contained in the Audit Commission Act 1998 and the Accounts and Audit Regulations 2011 made under Section 27 of the 1998 Act.
- 3.2 It is a requirement that the annual accounts should be prepared as soon as practicable after the end of the financial year and approved by the Chief Finance Officer by 30 June and considered by a committee or Full Council, and approved by a resolution of that committee or meeting by 30 September.

The accounts must be published and signed off by the external auditor as soon as reasonably possible after conclusion of the audit and by 30 September.

#### Format of Accounts

- 3.3 The council is required to present its financial statements on an International Financial Reporting Standards (IFRS) basis in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 (the Code), issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and cover the period 1 April 2012 to 31 March 2013.
- 3.4 In accordance with the Accounts and Audit Regulations, the Statement of Accounts includes an explanatory foreword, a statement of responsibilities together with the core financial statements, supplementary statements, the notes to the accounts and accounting policies.
- 3.5 The statement would normally comprise both “Single Entity Accounts”, which are in respect of wholly council-controlled activities, and “Group Accounts” in respect of activities where the council has a significant interest or share in a subsidiary, associate or joint venture entity. However, there are no activities requiring the preparation of Group Accounts in 2012/13.
- 3.6 The Single Entity core financial statements included within the Statement of Accounts comprise the following:-
- Movements in Reserves Statement
  - Comprehensive Income and Expenditure Statement
  - Balance Sheet
  - Cash Flow Statement
  - Notes to the Financial Statements
  - Accounting Policies
- 3.7 The supplementary statements comprise the following:-
- Housing Revenue Account
  - Collection Fund Account

#### Key Changes in the 2012/13 Financial Statements

- 3.8 After a period of substantial changes in recent years, there have been no significant changes to the Statement of Accounts during 2012/13.

#### Targeted Budget Management (TBM)

- 3.9 During 2012/13, Policy & Resources Committee received regular TBM reports in respect of the council’s expenditure against the Budget. A provisional outturn report was taken to Policy & Resources Committee on 13 June 2013 showing a provisional underspend for the General Fund of £4.610m. There was no change in the final outturn position. This underspend has been transferred to the General Fund Working Balance. The provisional outturn report of 13 June 2013 contains full details.

- 3.10 The level of General Fund working balance and general reserves held at 31 March was £22.332m as shown in the Movement in Reserves Statement. The revenue summary section of the explanatory foreword to the Statement of Accounts provides information on the underspend and level of reserves held. The general reserves above the minimum working balance have been fully committed (with the exception of just £0.097m) as part of the budget setting process, for example £5.270m needed to be set aside for business rates revaluation appeals.

#### **4. COMMUNITY ENGAGEMENT AND CONSULTATION**

- 4.1 The purpose of this report is to present the council's Statement of Accounts for 2012/13. There has been no external consultation, however, the accounts are required to be available for public inspection and residents of Brighton and Hove are able to inspect the accounts during the period 19 June 2013 to 16 July 2013.

#### **5. FINANCIAL & OTHER IMPLICATIONS:**

##### Financial Implications:

- 5.1 Detailed financial information is contained in the Statement of Accounts. There are no other financial implications.

*Finance Officer Consulted: Jane Strudwick      Date: 03/06/13*

##### Legal Implications:

- 5.2 The relevant statutory requirements relating to the Statement of Accounts are summarised in the report, in particular at paragraphs 1.1 and 3.1-3.2.

The report is for noting only. As indicated, the Committee has until 30 September by which to approve the statement of accounts and officers will prepare a separate report on that process for consideration by the Committee in time to comply with the statutory deadline.

*Lawyer Consulted: Oliver Dixon      Date: 05/06/13*

##### Equalities Implications:

- 5.3 There are no equalities implications arising directly from this report. The Statement of Accounts is a statutory publication and is available for public inspection at the council's main offices and on the council's website. Information on the accounts will, as far as possible, be provided in a manner that meets the needs of those requesting information.

Summary accounts will also be published.

##### Sustainability Implications:

- 5.4 There are no direct environmental implications arising from this report. However, it is believed that the reputation of the council's financial control framework and its ability to demonstrate sound financial management could have an impact on the willingness of other funding partners to invest in and with the council. This could affect the level of inward investment in respect of projects that contribute towards sustainability.

Crime & Disorder Implications:

- 5.5 There are no direct implications for the prevention of crime and disorder arising from this report.

Risk and Opportunity Management Implications:

- 5.6 There has been no direct risk assessment for this report. However, the management of the closure of the council's accounts and the preparation of these complex annual accounting statements are subject to full ongoing risk assessment and review.

Public Health Implications:

- 5.7 There are no direct implications for public health arising from this report.

Corporate / Citywide Implications:

- 5.8 Any material changes resulting from the conclusion of the audit will be included in the Accounts to be reported to the Audit & Standards Committee in September 2013.

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 The requirement to produce and publish annual financial statements is a statutory requirement applicable to all local authorities.

**7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 The purpose of this report is to note the Statement of Accounts for 2012/13.

## **SUPPORTING DOCUMENTATION**

### **Appendices:**

1. None

### **Documents in Members' Rooms**

1. None

### **Background Documents**

1. None

