

**FINANCE, AUDIT AND PERFORMANCE COMMITTEE – 16<sup>th</sup> SEPTEMBER 2013**



Hinckley & Bosworth  
Borough Council

*A Borough to be proud of*

**RE: STATEMENT OF ACCOUNTS 2012/2013**  
**REPORT OF DEPUTY CHIEF EXECUTIVE (CORPORATE DIRECTION)**

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1. **PURPOSE OF REPORT**

To present to the committee, the Council's Statement of Accounts (the Statement) for 2012/2013 and to seek endorsement of the recommendation to Council to formally approve the Statement.

2. **RECOMMENDATION**

2.1 That the committee review the Statement of Accounts for the year 2012/2013 and approve this document pending any amendments endorsed by the Section 151 Officer

2.2 That the committee endorse the following recommendation to Council:

*That Council approve the Statement of Accounts for the year 2012/2013*

3. **BACKGROUND TO THE REPORT**

3.1 Under the terms of the Accounts and Audit Regulations 2011, each local authority is required to prepare a Statement of Accounts (the Statement) by 30 June following the end of the year to which they relate. This draft Statement is signed by the Section 151 Officer as being a "true and fair" representation of the Council's financial performance during the year and of its financial position at the year end. This was achieved for 2012/2013 and the draft statement was approved by the Deputy Chief Executive (Corporate Direction) on 27<sup>th</sup> June 2013.

3.2 The Accounts and Audit Regulations also require that the Statement is approved by members and published by 30 September each year. Between June and September the Statement is subject to external audit and the auditors findings are outlined in their "Report to those charged with governance (ISA (UK&I) 260)" which is included on the agenda for this meeting.

3.3 The Statement has been prepared according to the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Statement has been prepared on the basis of International Financial Reporting Standards (IFRS) following its introduction in 2010/11.

3.4 The Statement comprises the main Financial Statements as follows:

- Statement of Movements in Reserves
- Comprehensive Income and Expenditure Statement
- Balance Sheet
- Cash Flow Statement
- Notes to the Financial Statement

In addition, the following supplementary statements with accompanying notes have been produced:

- Housing Revenue Account
- Housing Repairs Account
- Collection Fund

3.5 The Council's Statement for 2012/2013 is appended to this report. This version may require minor amendments following the final review by external audit. Pending approval of recommendation 2.2, the final Statement will be approved and formally signed by the Deputy Chief Executive (Corporate Direction) and the Leader of the Council following Council approval of the document on 24<sup>th</sup> September 2013.

**Notable items in the Statement for 2012/2013**

3.6 Members will recall that in prior year a number of significant changes impacted the Statement following the introduction of International Financial Reporting Standards. Relatively few changes have been made to the Code in 2012/2013 but those changes (including decisions made by management) that have impacted the Statement for this Council have been summarised below for reference:

<b><i>Change</i></b>	<b><i>Source of change</i></b>	<b><i>Expected Impact</i></b>
<p><u>Explanatory Forward</u></p> <p>The Explanatory Forward is included within the Statement to provide readers with some context to the document and to summarise the main points of note contained in the accounts. The 2012/2013 Code encourages authorities to increase the level of disclosures included in the Forward to include more qualitative data and performance information.</p>	Code	<p>The Explanatory Forward has been lengthened in 2012/2013 to include information such as:</p> <ul style="list-style-type: none"> <li>▪ Performance against Service Improvement Plans</li> <li>▪ Sickness absence data</li> <li>▪ A forward looking statement on the Council's finance position over the medium term</li> </ul>
<p><u>Significant Income</u></p> <p>In 2012/13, the Council was awarded two material amounts of funding which were:</p> <ul style="list-style-type: none"> <li>• £2.809 million of Regional Growth Funding for works to the A5 and MIRA Enterprise Zone. Total funding of £19.474 million will be awarded over a three year period.</li> <li>• £3.093 million of funding from the Department of Energy and Climate Change (DECC) for works to properties to improve sustainability.</li> </ul> <p>In both cases, the Council will act as the "accountable body" for these funds, transferring designated elements to third</p>	Management decision	<p>As funding has not been spent in full in 2012/13, the unspent cash balance is shown on the Balance Sheet as at 31<sup>st</sup> March 2013. In addition, the amounts that will be paid out third parties from this balance are shown separately within creditors and "Revenue Grants Received in Advance"</p>

parties to perform capital/revenue work.:		
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2012/2013 Outturn

3.7 The draft outturn for 2012/2013 was reported to Council in July 2013. Following completion of the Statement of Accounts, it can be confirmed that the total under spend for the year is £0.942million , resulting in closing General Fund balances of £1.767million

4. **FINANCIAL IMPLICATIONS [KB]**

There are no other financial implications other than those set out in this report.

The cost of the statutory External Audit of the Statement for 2012/2013 is £64,980

5. **LEGAL IMPLICATIONS (AB)**

Contained in the body of the report

6. **CORPORATE PLAN IMPLICATIONS**

This report contributes to the following corporate objectives:

- o “Proud of our Probity and Honesty in Governance and Management”
- o “Value in Service Delivery & Investment in people”

7. **CONSULTATION**

None

8. **RISK IMPLICATIONS**

It is the Council’s policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer’s opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

The following significant risks associated with this report / decisions were identified from this assessment:

<b>Management of significant (Net Red) Risks</b>		
<b>Risk Description</b>	<b>Mitigating actions</b>	<b>Owner</b>
None		

9. **KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS**

There are none

10. **CORPORATE IMPLICATIONS**

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

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Background Papers:           Civica Financial Files

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Executive Member:           Cllr KWP Lynch