



Derby City Council

AUDIT AND ACCOUNTS COMMITTEE
8 July 2015

Report of the Director of Finance and
Procurement

ITEM 9

Draft Statement of Accounts 2014-2015

SUMMARY

- 1.1 To present to Committee the draft Statement of Accounts for 2014/15.

RECOMMENDATION

- 2.1 To note the draft Statement of Accounts for 2014/15.

REASONS FOR RECOMMENDATION

- 3.1 The Council has a statutory duty to prepare a draft set of accounts by 30 June and publish the final approved accounts by 30 September. Changes to legislation in 2011 mean that it is no longer necessary for the Audit and Accounts Committee to approve the Council's draft accounts.

SUPPORTING INFORMATION

4 Summary

- 4.1 The draft 2014/15 Statement of Accounts has been signed by the section 151 officer by 30 June 2015.
- 4.2 Although the draft Statement of Accounts are no longer required to be signed by the Audit and Accounts committee, we continue to consider it best practice to report to the committee for their information. The purpose of the report is to highlight the key areas and issues within the accounts in order for the committee to consider these during the audit period. A full opportunity to challenge the accounts, once confirmed post audit, will be available at the September 2015 meeting.

5 Next Steps

- 5.1 The Accounts are subject to external audit during July to August 2015. Should there be any material changes required as a consequence of the audit, these will be reported to the September 2015 Audit and Accounts Committee, and a final Statement of Accounts will be presented for approval by committee.
- 5.2 The accounts will be published by 30 September 2015 in line with the Accounts and Audit regulations 2011. This will be on the basis of the final audited Statement of Accounts confirmed at the next Audit and Accounts Committee.
- 5.3 The Council's auditors, Grant Thornton have to comply with the Code of Audit Practice, which requires them to report to the body charged with approving the accounts any issues relating to their audit in an External Audit – Audit Memorandum. This will combine any final accounts issues to report. The audit memorandum and final opinion will be reported to the September Audit and Accounts Committee for consideration by members.

6 Key headlines

- 6.1 Since the completion of the 2013/14 Statement of Accounts Grant Thornton have completed a further detailed technical review of the accounts. The results off which have been incorporated into the 2014/15 draft statements. The main impact has been the removal of sections which were considered to not be material. This has reduced to overall size of the accounts even though several sections were also added or expanded. Other changes have addressed some technical issues and improved terminology used in the accounts in line with the code.
- 6.2 The Statement of Accounts now includes the values of Voluntary Aided schools properties. This is in line with the revised accounting policies presented to committee in March 2015. The effect of these property values is explained within the explanatory notes to the financial statements.
- 6.1 The Councils net worth has increased by £40.971m as shown in the CIES (page 15). This figure, although significant, is largely due to the accounting treatment of revaluations and pension estimates.
- 6.2 The Council has recognized a surplus on revaluations of £94.695m. These are due to a combination of new and refurbishment projects, such as spend on the Arena and Council dwellings, and the continued recovery in property values.
- 6.3 An increase in the Council's net pension liability of £52.064m has also been recognised. Pension liabilities (future pension payments) are estimated by an independent firm of actuaries using mortality rates, salary levels and assumptions about market performance and inflation. Changes in the Council's pension liability are reflected as gains and losses in the Comprehensive Income & Expenditure Statement.



OTHER OPTIONS CONSIDERED

6.1 Not applicable.

This report has been approved by the following officers:

Legal officer Financial officer Human Resources officer Service Director(s) Other(s)	Martyn Marples - Director of Finance and Procurement
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For more information contact: Background papers: List of appendices:	Mark Nash 01332 643364 e-mail mark.nash@derby.gov.uk None Appendix 1 - Implications Appendix 2 – Draft Statement of Account 2014/15 (to follow)
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IMPLICATIONS

Financial and Value for Money

- 1.1 As detailed in the report.

Legal

- 2.1 The Accounts and Audit Regulations 2011 require authorities to obtain approval by a council committee to the Statement of Accounts and Group Accounts by 30 September.
- 2.2 The Accounts are prepared in accordance with CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom 2014/15.

Personnel

- 3.1 None directly arising.

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- 4.1 None directly arising.

Equalities Impact

- 5.1 None directly arising.

Health and Safety

- 6.1 None directly arising.

Environmental Sustainability

- 7.1 None directly arising.

Property and Asset Management

- 8.1 None directly arising.

Risk Management

- 9.1 None directly arising.

Corporate objectives and priorities for change

- 10.1 None directly arising.

