

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

23 JUNE 2014

SUBJECT	STATEMENT OF ACCOUNTS 2013/14
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF FINANCE
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1. The Council Constitution allocates responsibility for the approval of the Statement of Accounts to the Audit & Risk Management Committee. The Statement for 2013/14 to be issued by 30 June 2014 will be subject to audit.
- 1.2. The appointed auditors, Grant Thornton, will present their Audit Findings Report (AFR) to this Committee on 17 September 2014. Members will be requested to consider the AFR, agree the Letter of Representation and approve the Statement of Accounts for 2013/14 which has to be published by 30 September 2014.
- 1.3. The Statement of Accounts includes the Merseyside Pension Fund (MPF) Accounts as Wirral Council is the Administering Authority for MPF. The MPF receives a separate Audit Findings Report which has to be considered by Pensions Committee and also this Committee as part of approving the Accounts.

2.0 BACKGROUND AND KEY ISSUES

- 2.1. The purpose of the Statement of Accounts is to present the overall financial position of the Council at 31 March 2014 in accordance with prescribed guidance – the Code of Practice on Local Authority accounting in the United Kingdom (the Code). This is updated annually and specifies the accounting principles and practices required to prepare a Statement of Accounts which present a true and fair view of the financial position.
- 2.2. The Accounts and Audit Regulations 2003, as amended in 2011, state that the Chief Finance Officer is required to certify the Statement of Accounts by 30 June. The must be approved by an appropriate Committee and published by 30 September.
- 2.3. The Council will publish the pre-Audit Statement of Accounts on the Council web-site and copies will be issued to all Members of this Committee. The web-site will include information relating to the Public Inspection of the Accounts.

- 2.4 The Accounts will be available for public inspection from 21 July 2014 to 15 August 2014 when any person may inspect, and make copies of, the Accounts of the Council, and certain related documents, for the year ended 31 March 2014.
- 2.5 From 18 August 2014 until the conclusion of the audit process, a local government elector for the area of the Council, or his/her representative, may ask the Auditor questions about the Accounts and / or object to the Council's Accounts.
- 2.6 As in previous years there will be a briefing session on the Accounts and Members are asked to confirm a date with 8 or 10 September 2014 the available options.. Whilst specifically for Members of this `Committee the session will be open to all Members of the Council entitled 'Understanding the Council's Statement of Accounts'.

The session will include:-

- Overview and role of the Audit & Risk Management Committee which includes legal requirements, roles, responsibilities and the process.
 - Statement of Accounts 2013/14 which includes a review of the contents, a focus of the Financial Statements and highlights of the key areas.
 - Changes in 2013/14 which covers the changes to the Accounts as well as the changes to Council procedures to deliver improvements to the production and accuracy of the statements.
 - Overview of the Merseyside Pension Fund Accounts for 2013/14 based on the more detailed presentation to Pensions Committee.
- 2.7 The Auditor is required by the Audit Commission Act 1998 and the Audit Commission Code of Audit Practice for Local Government to report on the financial statements prior to 30 September. That Audit Findings Report, for which there will be a separate report in respect of the Merseyside Pension Fund, will be considered by this Committee on 17 September 2014.
- 2.8 Following Committee consideration of the Audit Findings Report(s), approval of any amendments to the Statement of Accounts, agreement of the Letter of Representation and the approval of the Statement of Accounts for 2013/14 Grant Thornton will issue the Audit Opinion. This will be before 30 September 2014 and state if the Accounts are a true and fair view of the financial position of the Council at 31 March 2014.
- 2.9 Besides commenting on the Financial Statements the Auditor also comments on Matters by Exception including the Annual Governance statement and issues a Value for Money conclusion in respect of Council arrangements to secure economy, efficiency and effectiveness in the use of resources.
- 2.10 The Auditor's report will be included within the Statement of Accounts 2013/14 which will then be published by the statutory deadline of 30 September 2014.

- 2.11 The Annual Governance Statement will be the subject of a separate report to this Committee and, although not required to be included in the Statement of Accounts, is included as it shows how the Council has ensured the effectiveness of its systems for ensuring that it operates legally and that public money is properly used and accounted for.

3.0 RELEVANT RISKS

- 3.1 The risks relating to the accurate and timely completion of the Statement of Accounts are mitigated by ensuring that this professional knowledge is maintained and time-scales both for both the pre-Audit and formal Statements are maintained.
- 3.2 If issues and concerns raised by the Auditor are not addressed by the Council then there are potential risks that the Council will not be able to meet its statutory requirements in respect of the Statement of Accounts.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 The Statement of Accounts has to be produced in accordance with statutory guidance and is subject to review by the appointed Auditor.

5.0 CONSULTATION

- 5.1 There has been no specific consultation in respect of this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are none arising directly from this report.

7.0 RESOURCE IMPLICATIONS

- 7.1 The Statement of Accounts is produced by the Financial Services Division. In previous years reference has been made by the Appointed Auditor's as to the adequacy of the level of staffing resources within the Division. Whilst actions are taken to ensure the Accounts are successfully completed, and to a better standard than previous years, there are capacity issues within the Division.

- 7.2 There are no IT or asset implications arising from this report.

8.0 LEGAL IMPLICATIONS

- 8.1 It is a legal requirement to publish the Statement of Accounts by 30 September 2014.

9.0 EQUALITIES IMPLICATIONS

9.1 There are no equality implications arising directly from the production of the Statement of Accounts. An Equality Impact Assessment (EIA) is not required.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 RECOMMENDATIONS

12.1 The process for the completion of the Statement of Accounts for 2013/14 be agreed.

12.2 The date for the briefing session for Members of this Committee on 'Understanding the Council's Statement of Accounts' be agreed and that all Members of the Council be invited to the briefing.

13.0 REASON FOR RECOMMENDATIONS

13.1 Audit & Risk Management Committee has responsibility for approving the Statement of Accounts on behalf of the Council which is a requirement under the Accounts and Audit Regulations 2003, as amended in 2011.

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REFERENCE MATERIAL / SUBJECT HISTORY

Council Meeting	Date
Audit & Risk Management Committee Grant Thornton Audit Findings Report - Merseyside Pension Fund Merseyside Pension Fund Accounts 2012/13 Grant Thornton Audit Findings Report - Wirral Council Statement of Accounts 2012/13 Grant Thornton Financial Resilience Report	18 September 2013
Cabinet Statement of Accounts 2012/13	10 October 2013