

<b>DECISION-MAKER:</b>	GOVERNANCE COMMITTEE		
<b>SUBJECT:</b>	FINANCIAL STATEMENTS FOR 2014/15		
<b>DATE OF DECISION:</b>	14 SEPTEMBER 2015		
<b>REPORT OF:</b>	CHIEF FINANCIAL OFFICER		
<b><u>CONTACT DETAILS</u></b>			
<b>AUTHOR:</b>	<b>Name:</b>	Mel Creighton	<b>Tel:</b> 023 8083 4897
	<b>E-mail:</b>	<a href="mailto:Mel.Creighton@southampton.gov.uk">Mel.Creighton@southampton.gov.uk</a>	
<b>CFO</b>	<b>Name:</b>	Andrew Lowe	<b>Tel:</b> 023 8083 2049
	<b>E-mail:</b>	<a href="mailto:Andrew.Lowe@southampton.gov.uk">Andrew.Lowe@southampton.gov.uk</a>	

#### **STATEMENT OF CONFIDENTIALITY**

NOT APPLICABLE

#### **BRIEF SUMMARY**

In accordance with the Accounts and Audit Regulations 2011 the deadline for approving the Financial Statements 2014/15 is the 30 September 2015. The draft statements were signed by the Chief Financial Officer (CFO) on 29 May 2015 and reported to Governance Committee on 15 June 2015. They were made available at that point for review.

The Annual Audit, carried out by our auditors Ernst & Young, commenced on 8 June 2015 and has now been completed. This report details the findings noted in the draft annual audit report of any major changes to the Financial Statements arising from the annual audit. Any further changes, identified on submission of the final audit report, which is expected prior to this meeting, will be presented at this meeting.

#### **RECOMMENDATIONS:**

**It is recommended that Governance Committee:**

- (i) Notes the changes to the Financial Statements 2014/15 as a result of the annual audit as detailed in paragraphs 6 to 8 and appendix 1;
- (ii) Approves the audited Financial Statements 2014/15.

#### **REASONS FOR REPORT RECOMMENDATIONS**

1. It is a legal requirement that Statement of Accounts 2014/15 be approved and signed by the person presiding at this meeting, subject to any residual changes required following the completion of the Audit, by 30 September 2015.
2. The draft accounts were signed by the Chief Financial Officer on 29 May 2015, a month earlier than the statutory date of the 30 June 2015.

#### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3. The Financial Statements have been prepared in accordance with statutory accounting principles. No other options have been considered as it is a legal requirement that the Financial Statements are prepared and signed by the

person presiding at this meeting no later than 30 September 2015.

## **DETAIL**

### **CONSULTATION**

4. Not applicable.

### **FINANCIAL STATEMENTS**

5. The Financial Statements are a complex document and the layout and information provided are defined by statutory requirements. The key issues that should be drawn to the attention of Committee were presented at its meeting on the 15 June 2015. A copy of this is available in Members rooms on request from report author or by following the link below.

[Governance Committee 15th June 2015](#)

### **FINANCIAL STATEMENTS AMENDMENTS**

6. The Financial Statements for 2014/15 have been completed earlier than required this year in recognition that for the financial year 2017/18 it will be a legal requirement to have the accounts certified by 31<sup>st</sup> May. This has been made possible by significant effort from the Finance Team and due to sound financial management procedures being in place. The draft annual audit report includes a limited number of adjustments, none of which change the overall bottom line position of the Council for 2014/15.
7. There were a number of minor numerical and typographical errors some presentational and additional disclosure adjustments to the Draft Financial Statements signed by the CFO on 29 May 2015.
8. The latest Draft Financial Statements, along with full details of any changes made, are available in Members rooms on request from report author or by following the link below:

[Draft Statement of Accounts 2014/15](#)

The main adjustments to the statements were:

- Comprehensive Income and Expenditure Statement (CIES) (18) – Income and Expenditure within the cost of services both overstated by £18.36M and £2.61M respectively with respect to internal recharges and pooled budget contributions

Net Expenditure unchanged at £198.44M

- Comprehensive Income and Expenditure Statement (CIES) (19) – Prior year's Income and Expenditure within the cost of services both overstated by £15.65M and £2.61M respectively with respect to internal recharges and pooled Budget Contributions

Net Expenditure unchanged at £197.96M

- Cash Flow Statement (16) - Incorrect treatment of £2.76M deferred capital receipt with the Cash Flow Statement.

£2.76M adjustment between lines:

Adjustment to surplus or deficit on the provision of services for non-cash movements £112.54M (from £109.78M); and

Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities (£50.49M) (from (£49.36M)).

The remaining adjustments to the statements and notes are detailed in Appendix 1.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

9. The capital and revenue implications were considered as part of the General Fund Capital Outturn report and the General Fund Revenue Outturn report that were presented to Council in July.

### **Property/Other**

10. There are no specific property implications arising from this report.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

11. Accounts and Audit Regulations 2011.

### **Other Legal Implications:**

12. None.

## **POLICY FRAMEWORK IMPLICATIONS**

13. Not applicable. It should be noted that the Financial Statements are prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the UK.

**KEY DECISION?** Yes/No

<b>WARDS/COMMUNITIES AFFECTED:</b>	
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## **SUPPORTING DOCUMENTATION**

### **Appendices**

1.	Revisions made to Statements of Account 2014/15
2.	

**Documents In Members' Rooms**

1.	Governance Committee Report 15 June 2015 – Financial Statements 2014/15
2.	Draft Unaudited Financial Statements 2014/15

**Equality Impact Assessment**

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
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**Other Background Documents**

**Equality Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.		
2.		

## TO BE DETACHED BY DEMOCRATIC SERVICES

### REPORT MONITORING FORM

**THIS FORM MUST BE COMPLETED FOR ALL REPORTS!**

**PLEASE ENSURE YOU COMPLETE THE SECTIONS HIGHLIGHTED IN YELLOW NEAR THE END OF THIS FORM.**

DATE OF DECISION:	
DECISION MAKER:	
SUBJECT/TITLE OF REPORT:	

KEY DECISION?	<input type="checkbox"/>	[TYPE YES, NO or N/A]
DATE PROPOSAL INCLUDED IN FORWARD PLAN:		<input style="width: 100%;" type="text"/>
REGULATION 15 EXCEPTION?	<input type="checkbox"/>	[TYPE YES, NO or N/A]
Date notification given to Scrutiny:		<input style="width: 100%;" type="text"/>
REGULATION 16 URGENCY?	<input type="checkbox"/>	[TYPE YES, NO or N/A]
Date agreement of Scrutiny obtained:		<input style="width: 100%;" type="text"/>

OTHER LEGAL IMPLICATIONS:	Paragraph number/comment:
Human Rights Act 1998:	<input style="width: 100%;" type="text"/>
Equalities Act 2010	<input style="width: 100%;" type="text"/>
Crime & Disorder Act 1998(specifically s.17 duty):	<input style="width: 100%;" type="text"/>
Proceeds of Crime Act 2002(Money Laundering):	<input style="width: 100%;" type="text"/>
Freedom of Information Act 2000:	<input style="width: 100%;" type="text"/>
European "State Aid" Guidance:	<input style="width: 100%;" type="text"/>

POLICY FRAMEWORK PLANS:		
Annual Library Plan	<input type="checkbox"/>	Adult Learning Plan
Best Value Performance Plan	<input type="checkbox"/>	14-19 Strategy
Community Strategy (Including Local Agenda 21 Strategy)	<input type="checkbox"/>	Economic Development Strategy
Children & Young Peoples Plan (CYPP)	<input type="checkbox"/>	Health and Well-Being Strategy
Plan & Strategies which together comprise the Development Plan	<input type="checkbox"/>	Crime & Disorder Reduction Strategy
Youth Justice Plan	<input type="checkbox"/>	Local Transport Plan
Medium Term Plan Economic Development	<input type="checkbox"/>	
Housing Strategy (inc HRA Business Plan)	<input type="checkbox"/>	

KEY AREAS TO BE ADDRESSED/CONSIDERED:	
Organisational Development/Human Resources Issues	<input style="width: 100%;" type="text"/>
Report Tracking	

VERSION NUMBER:	<input style="width: 100%;" type="text"/>
DATE LAST AMENDED:	<input style="width: 100%;" type="text"/>
AMENDED BY:	<input style="width: 100%;" type="text"/>



**Approval by Executive Member:**

Name:

Date:

**Approval by Senior Manager:**

Name:

Date:

**Approval by Director:**

Name:

Date:

**FOR DEMOCRATIC SERVICES USE ONLY:**

DATE AND TIME REPORT RECEIVED:

Date

Time:

LEGAL CLEARANCE:

[TYPE YES or NO]

Name:

FINANCIAL CLEARANCE:

[TYPE YES or NO]

Name:

POLICY CLEARANCE:

[TYPE YES or NO]

Name: