

LGSS DRAFT STATEMENT OF ACCOUNTS 2013-14

To: **Audit and Accounts Committee**

Date: **15th July 2014**

From: **Head of Finance**

Electoral division(s): **All**

Forward Plan ref: **N/a** *Key decision:*

Purpose: **This report presents the unaudited draft LGSS Statement of Accounts for 2013-14.**

Recommendation: **The Committee is asked to acknowledge and comment on the 2013-14 LGSS Statement of Accounts as submitted for audit, ahead of its final review and approval at the September Audit and Accounts Committee.**

<i>Officer contact:</i>	<i>Member contact</i>
Name: Matt Bowmer	Name: Cllr. Steve Count
Post: Section 151 Officer	Portfolio: LGSS Joint Committee Chairman
Email: MBowmer@northamptonshire.gov.uk	Email: Steve.Count@cambridgeshire.gov.uk
Tel: 01223 706599 / 01604 366550	Tel: 07989 032456

1. BACKGROUND

- 1.1 The Annual Report comprises the LGSS Statement of Accounts for 2013-14, along with the LGSS Annual Governance Statement
- 1.2 The accounts are prepared under the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting 2013-14, which is based on International Financial Reporting Standards (IFRS). This is in line with the preparation of the annual accounts for both Northamptonshire and Cambridgeshire County Councils.
- 1.3 This is the first year that LGSS has prepared its own separate Statement of Accounts. In previous financial years since its inception, the financial performance of LGSS has been reported within the annual Statement of Accounts of the founding authorities. This continues to be the case, however the Audit Commission has requested and LGSS has agreed that a separate set of financial accounts will be prepared for LGSS from 2013-14 onwards
- 1.4 The publication of the Statement of Accounts is an essential feature of public accountability and stewardship, as it provides an annual report on how LGSS has used the public funds for which it is responsible.
- 1.5 The signing, approval and publication of the Accounts is set out in Section 8 of the Accounts and Audit Regulations 2011. Accordingly they are certified by the Director of Finance by 30th June prior to submission to audit by the external auditor. KPMG have been appointed by the Audit Commission to undertake this work. The Accounts will require further certification and also approval by the LGSS Joint Committee by 30th September at the conclusion of the audit. The relevant sections of the founding authority constitutions delegate responsibility to the LGSS Joint Committee for the approval of the annual report. The final Accounts will also be presented to the Audit and Accounts Committee at its September meeting.
- 1.6 This report has been produced in consultation with the LGSS Director of Finance and the LGSS Management Board. It was presented to the LGSS Joint Committee on 24th June. It is also subject to scrutiny through this Committee and its usual governance procedures.

2. STATEMENT OF ACCOUNTS

2.1 Presentation

- 2.1.1 The LGSS Statement of Accounts has been produced alongside the production of the annual Statement of Accounts of each founding authority and is based on the same financial records. Whilst the single entity accounts of Northamptonshire and Cambridgeshire County Councils include the proportion of LGSS attributable to each authority, the LGSS Statement of Accounts shows the combined position across all of the LGSS operational budgets (in other words excluding the managed budgets that LGSS manages on behalf of the founding authorities).

2.1.2 The Statement of Accounts is attached at appendix 1. It is accompanied by an Explanatory Foreword and the LGSS Annual Governance Statement (AGS) and its format is prescribed by the CoP 2013-14. The LGSS Statement of Accounts are comprised of the:

- a) **Explanatory Foreword** – This gives an overview of the financial performance of LGSS for the financial year. This includes links to the figures in the LGSS management accounts which have been presented to the LGSS Joint Committee, including the outturn position (The LGSS Outturn Report is presented as Appendix 2 for information). There is also a section looking forward to 2014-15.
- b) **Statement of Responsibilities and Certificate of Accounts** – This is where the formal sign off of the accounts will be shown following the completion of the audit.
- c) **Core Financial Statements** – These are the main statement that summarise LGSS's financial position and includes:
 - Movement in Reserves Statement
 - Comprehensive Income and Expenditure Statement
 - Cash Flow Statement
 - Balance Sheet
- d) **Notes to the Core Financial Statements** – These give further detail on specific items within the accounts, and include the Accounting Policies which set out the basis on which the accounts are produced.

2.2 Other Matters

2.2.1 A small number of disclosure and presentational changes to this document are still required ahead of the final version being approved in September. In summary these are:

- Any adjustments arising as a result of further work carried out by the finance team or external audit review;
- Inclusion of the independent auditors' report which contains the overall audit opinion after the audit of the Council's accounts has concluded.

3. FURTHER STAGES IN THE FORMAL PROCESS

3.1.1 As stated, the accounts are still subject to external audit. This audit will conclude in September when the auditors will issue a formal opinion on the Council's accounts and this will be reported back to Audit and Accounts Committee on 23 September 2014.

3.1.2 In accordance with statutory requirements, the accounts will be open to public inspection for a period of 20 working days before the final audit opinion is issued. This follows the advertisement of the public notice in the local press and on the LGSS website.

4. ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

4.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

4.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

5. SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

There are no significant implications within this category.

5.2 Statutory, Risk and Legal Implications

There are no significant implications within this category.

5.3 Equality and Diversity Implications

There are no significant implications within this category.

5.4 Engagement and Consultation Implications

There are no significant implications within this category.

5.5 Localism and Local Member Involvement

There are no significant implications within this category.

5.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
Code of Practice 2013-14 (based on IFRS) Statement of Accounts working papers. LGSS Outturn Report for 2013-14	Room 301 Shire Hall, Cambridge