

<b>COUNCIL</b>			
<b>Report Title</b>	2013/14 FINAL ACCOUNTS AND EXTERNAL AUDITORS REPORTS		
<b>Key Decision</b>	No	Item No.	
<b>Ward</b>	All		
<b>Contributors</b>	EXECUTIVE DIRECTOR FOR RESOURCES AND REGENERATION		
<b>Class</b>	Open	Date:	17 September 2014

## **1 PURPOSE**

- 1.1 The purpose of this report is to present to Council the External Auditor's reports (Audit Findings and Value for Money) on the audit of the Council's 2013/14 main accounts and Pension Fund accounts and to obtain members' approval of the Statement of Accounts for 2013/14 (including the Annual Governance Statement).
- 1.2 The Audit Findings Reports are attached, and set out:  
*"...the key matters and audit findings arising from the 2013/14 audit of the financial statements...whether the accounts present a true and fair view of the financial position and have been properly prepared.....and whether you have put in place proper arrangements to secure value for money in your use of resources."*
- 1.3 The pre-audit draft Statement of Accounts have been on the council's website since the end of June 2014. In the interests of not printing large amounts of paper, copies have not separately been despatched with this agenda, but they are available on request.

## **2 EXECUTIVE SUMMARY**

- 2.1 As at the date of despatch of this report, the audits were substantially complete and the External Auditor, Grant Thornton, anticipates that unqualified opinions on the financial statements will be issued. The External Auditors reports were discussed at the Audit Panel on 11 September 2014.
- 2.2 This report therefore sets out the recommendations necessary to ensure that the statutory requirements are met.
- 2.3 The external auditor requests that Members:
- Note the adjustments to the financial statements in the reports
  - Approve the letters of representation on behalf of the council
  - Agree the recommendations in the proposed action plans

2.4 Under the council's constitution these matters will be for council to determine.

### 3. RECOMMENDATIONS

3.1 Council is recommended to:

- i. Note the adjustments to the financial statements in the Audit Findings Reports
- ii. Agree the Action Plans set out in the Reports
- iii. Approve the Letter of Representation on behalf of the Council
- iv. Approve the Annual Governance Statement (AGS)
- v. Approve the 2013/14 audited Statement of Accounts

### 4. POLICY CONTEXT

4.1 Completing the audit of the council's accounts and receiving the auditor's report thereon contributes directly to the council's tenth corporate priority:

- **Inspiring efficiency, effectiveness and equity:** ensuring efficiency and equity in the delivery of excellent services to meet the needs of the community.

### 5. DETAIL

5.1 As at the date of despatch of this report, the audits were substantially complete and the external auditors, Grant Thornton, anticipate that subject to completing their outstanding work they will be giving an unqualified opinion on the financial statements and be giving an unqualified value for money conclusion.

5.2 By virtue of paragraph 8(3) of the Accounts & Audit Regulations 2011 ("The Regulations") the Council must, by no later than 30 September 2014:

- a. Consider either by way of a committee or by the members meeting as a whole the statement of accounts;
- b. Following that consideration, approve the statement of accounts by a resolution of that committee or meeting;
- c. Ensure that the statement of accounts is signed and dated by the person presiding at the committee or meeting at which that approval was given; and
- d. Publish (which must include publication on the body's website), the statement of accounts together with any certificate, opinion, or report given or made by the auditor under section 9 (general report) of the 1998 Act.

- 5.3 The Audit Panel have already considered the reports and officers' responses to them in detail and a short summary will be provided at the meeting. By considering that summary, Members will have discharged their duty under regulation 8(3)(a).
- 5.4 The draft accounts have been amended for the agreed findings of the audit and the Letter of Representation by the Executive Director for Resources and Regeneration and the Chair of Council will be signed accordingly.
- 5.5 Members are therefore, by recommendation 3.1(v) to this report, recommended to approve the accounts.
- 5.6 Officers will ensure that the correct protocols for the signature and publication of the accounts are followed, to ensure compliance with the requirements of The Regulations.

## **6 ANNUAL GOVERNANCE STATEMENT**

- 6.1 This document has been slightly updated from that considered at the Audit Panel on 25<sup>th</sup> June 2014 to reflect the completion of a few items and is submitted for approval.

## **7 FINANCIAL IMPLICATIONS**

- 7.1 There are no direct financial implications in agreeing the recommendations in this report.
- 7.2 The cost of external audit services in respect of 2013/14 was £292,000, including the cost of the audit of the accounts and the certification of grant claims and returns. The cost of the Pension Fund audit was £21,000.

## **8 LEGAL IMPLICATIONS**

- 8.1 The key legal requirements are set out in paragraph 5.2 of this report. By agreeing the recommendations of this report Members will have put in place appropriate authority and arrangements to ensure that these are complied with.

## **9 EQUALITIES IMPLICATIONS**

- 9.1 There are no equalities implications in this report.

## **10 CONSULTATION**

- 10.1 The draft accounts have been published, and local electors have been able to exercise their rights to ask questions of the auditor in respect of them, and to inspect accounting records.

## **11 ENVIRONMENTAL IMPLICATIONS**

- 11.1 There are no environmental implications in this report.

## **12 CRIME AND DISORDER IMPLICATIONS**

12.1 There are no crime and disorder implications arising from this report.

## **13 BACKGROUND PAPERS**

Draft audited 2013/14 Statement of Accounts

### **Appendices**

1. Annual Governance Statement
2. Grant Thornton – The Audit Findings for the London Borough of Lewisham.
3. Grant Thornton – The Audit Findings for the Lewisham Pension Fund.
4. Letter of Representation – Main Accounts and Pension Fund Accounts
5. Grant Thornton – Report on Value for Money for the London Borough of Lewisham.

### **For further information on this report please contact:**

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