

REPORT FOR: **Governance, Audit, Risk
Management and Standards
Committee (GARMS)**

Date: 17 September 2014

Subject: **Statement of Accounts 2013-14**

Responsible Officer: Simon George, Director of Finance & Assurance

Exempt: No

Enclosures: Appendix 1: Statement of Accounts 2013-14
Appendix 2: ISA260 report of the Auditor
Appendix 3: Pension Fund Annual Report
Appendix 4: ISA260 report of the Auditor on
Pension Fund
Appendix 5: Summary Statement of Accounts

Section 1 – Summary and Recommendations

This report sets out the audited Statement of Accounts for 2013-14.

Recommendations:

1. Consider the report of the External Auditor on matters arising from the audit of the 2013-14 accounts for both Harrow Council and the Pension Fund;
2. Approve the audited Statement of Accounts for Harrow Council and London Borough of Harrow Pension Fund for the financial year 2013-14 and authorise the signing thereof by the Chair of the meeting;
3. Approve the Annual Governance Statement for 2013-14;
4. Authorise the Director of Finance and Assurance following consultation with the Chair to make any final amendments to the Accounts arising from the external audit prior to the signing of the accounts by the auditor;
5. Note the Pension Fund Annual Report of 2013-14; and
6. Note the Summary Statement of Accounts.

Reason:

The Statement of Accounts represents an important formal corporate statutory document. This is reflected in the requirements of the Accounts and Audit (England) Regulations 2011 and requires the accounts to be signed and dated as approved by the Chairman of the approving Committee.

Section 2 – Report

Introductions

1. The reporting of the Statement of Accounts is a major part of the strategic principle of providing proper management and stewardship of all the Council's Resources. The accounts provide details of the overall financial position in the Balance Sheet, details of the revenue activities for the General Fund, the Housing Revenue Account, the Collection Fund, the Annual Governance Statement (AGS) and the Pension Fund.
2. In accordance with International Standard on Auditing (ISA) 260, the external auditor (Deloitte LLP) is required to issue detailed reports on matters arising from the audit of the council's accounts and pension fund accounts. This report has to be considered by "those charged with governance" before the external auditor can sign the accounts, which legally has to be done by 30 September 2014.

Accounts Summary

3. The Comprehensive Income and Expenditure Account shows the true economic cost of providing the services and the surplus for the year is £36m resulting mainly due to reversal of prior years impairments on schools and dwellings assets and drop in actuarial losses on pension liabilities.
4. However, under the statutory regulations some of these costs (e.g. impairments, IAS 19 costs, etc.) are not taken into account when setting the Council Tax and Dwelling Rents. These are therefore reversed in the Movement in Reserves Statement and this statement summarises the total usable and unusable reserves. The usable reserves has increased by £18m resulting from revenue under spends and unspent capital grants.
5. The Balance Sheet sets out the financial position of the Council as at 31st March 2014. There was an overall increase in net assets by £36.5m, resulting mainly from increase in valuations of Council Dwellings and Schools.
6. The net assets of Pension Fund at year end totals to £590m. This has increased by £38m from previous year due to increase in market value of investments.
7. There were no substantive changes to accounting requirements this year.

Financial Implications

8. There are no direct financial implications arising from this report.

Equalities Implications

9. There are no equalities implications.

Corporate Priorities

10. The Statement of Accounts provides assurance that the Council has managed and delivered its finances in accordance with its approved plans and budget.

Section 3 – Statutory Officer Clearance

Name Simon George



Director of Finance and Assurance

Date: 08 September 2014

Name: Caroline Eccles



on behalf of the Monitoring Officer

Date: 10 September 2014

Section 4 - Contact Details and Background Papers

Contact: Hasina Shah, Head of Technical Finance and Accountancy (Tel: 02084241573 – internal 2573)

Background Papers: None