

ACCOUNTS COMMITTEE

30 SEPTEMBER 2013

PRESENT: Councillor M Henry (Chair)
Councillor M Gannon
Councillor F Hindle

AC1. MINUTES

The minutes of the last meeting of the Committee held on 28 September 2012 were approved as a correct record and signed by the Chair.

AC2. AUDIT COMPLETION ANNUAL GOVERNANCE REPORT AND GATESHEAD COUNCIL STATEMENT OF ACCOUNTS 2012/13

Consideration was given to Mazars' Audit Completion Report, including the Council's arrangements for securing economy, efficiency and effectiveness

The report's key messages are:

- Audit Opinion – Mazars' has issued an unqualified opinion on the Statement of Accounts, meaning that it is free from material error and has been prepared in accordance with proper practice; and
- Use of resources – the Council has proper arrangements in place to secure economy, efficiency and effectiveness in its use of resources

The report also includes a Letter of Representation to Mazars', to be approved by the Committee prior to being signed by the Strategic Director, Finance and ICT.

The Council's 2012/13 Statement of Accounts, amended for any adjustments identified during the audit has been presented. The Statement of Accounts is materially consistent with the revenue and capital outturn reports considered by Cabinet on 25 June 2013. Along with minor adjustments and presentational changes, the following adjustments have been made to the statement submitted for audit on 30 June 2013:

- Internal recharges: these charges between Services are included in the revenue outturn positions but should have been excluded from the Statement of Accounts. As such, the gross expenditure and gross income figures were initially overstated by £18.5m. Amending the Statement of Accounts reduces both income and expenditure, and as such has no effect on the Net Cost of Services.
- Housing Revenue Account charge for Corporate and Democratic Core costs: CDC have previously been borne by the General Fund; however, best practice suggests that they should be shared between the General Fund and the HRA. As such, the Council has made an additional charge of £0.588m to the HRA, reducing the HRA Reserve and increasing the General Fund Reserve by this value.

The internal recharge adjustment does not impact on the revenue and capital outturn positions reported to Cabinet in June 2013. The HRA charge results in a £0.588 million transfer from the HRA to the General Fund that was not included within the report to Cabinet

- RESOLVED -
- (i) That the contents of Mazars' Audit Completion Report Year ended 31 March 2013 and Gateshead Council Statement of Accounts 2012/13 be noted.
 - (ii) That the issue of the Letter of Representation by the Strategic Director, Finance and ICT on behalf of the Council be approved.
 - (iii) That the Council's Statement of Accounts for 2012/13 be approved for publication.