

GOSPORT BOROUGH COUNCIL

<b>BOARD:</b>	<b>POLICY &amp; ORGANISATION BOARD</b>
<b>DATE OF MEETING:</b>	<b>24 JULY 2019</b>
<b>TITLE:</b>	<b>FINAL ACCOUNTS 2018/19</b>
<b>AUTHOR:</b>	<b>BOROUGH TREASURER</b>
<b>STATUS:</b>	<b>FOR APPROVAL</b>

**1. Purpose**

- 1.1 This report summarises the outturn position for the 2018/19 financial year and recommends the approval of the Statement of Accounts for 2018/19.

**2. Recommendations**

It is recommended that:

- i) The Board note the outturn position summarised in the report and the Narrative Report contained in the Statement of Accounts (Appendix A, page 1)
- ii) The Board approves the Statement of Accounts for 2018/19 at Appendix A
- iii) The Board approve the Letter of Representation at Appendix B
- iv) The Board delegate to the Borough Treasurer in consultation with the Chairman of the Policy & Organisation Board the decision to agree any final change to the financial statement arising from the completion of the audit

**3. Background**

- 3.1 The Accounts and Audit Regulations 2015 require the annual Statement of Accounts to be formally approved by members after the external audit has taken place with the subsequent publication of the Statement taking place by the end of July. Members therefore receive and consider a final Statement that has been amended for any items arising out of the audit.

#### **4. Report**

- 4.1 The audit of the accounts is being undertaken by Ernst and Young during July and formally concludes when the audit opinion is issued prior to publication of the statement. Ernst and Young's opinion is set out in the "Audit Results" report to members and is a separate item on this agenda. It describes, in their opinion, whether the Accounts provide a true and fair view of the financial position of the Council and whether they have been prepared in accordance with proper practice. Their report also sets out their Value for Money Conclusion which considers whether the Council has put in place the proper arrangements to secure economy, efficiency and effectiveness on its use of resources.
- 4.2 The accounts have been available for public inspection and the Council's auditor has been available to receive questions from any Gosport local elector.
- 4.3 The Statement of Accounts for 2018/19 which includes any amendments arising from the external audit to date is included at Appendix A. The key points within the statement are summarised below.

#### **OUTTURN 2018/19**

- 4.4 A summary of the key outturn figures is set out below. More detail can be found in the narrative report included within the statement of accounts.

##### General Fund Budget

A net underspending of £845,000 was transferred to the revenue financing reserve. This, in part, reflects slippage in budgeted spending for 2018/19 of £511,000 which has been requested to be carried forward and spent in 2019/20. If approved, the overall financial position of the Council (across years) will be an improvement of £334,000.

##### Capital Programme

The revised 2018/19 capital programme was budgeted at £8,162,000. The actual spend amounted to £5,817,000 with scheme slippage of £2,725,000 being carried forward into 2019/20. The outturn position has no significant impact on the overall resources available for the capital programme.

##### Housing Revenue Account

The Housing Revenue Account had a forecast surplus for 2018/19 of £0.852 million. The actual surplus was £0.510 million. The reduction in the surplus was mainly due to increased repairs and maintenance costs £0.165 million and funding the capital programme from the in year surplus £0.100 million

## LETTER OF REPRESENTATION

- 4.4 The Letter of Representation (Appendix B) is the formal letter from the Council to the Council's external auditors that provides assurances on key matters that are contained in the audited Statement of Accounts for 2018/19.
- 4.5 It is a requirement of the external audit to provide an opinion on whether the financial statements give a true and fair view of the financial position of the Council at 31 March 2019 and once approved it is signed by the Borough Treasurer and the Chairman of Policy and Organisation Board.

### 5. Risk Assessment

- 5.1 Council budgets operate in what can be a changing and demand led environment and some service areas may be deemed to have a higher risk of significant budgetary variation against actuals than others.
- 5.2 While informed and realistic budgets are set and monitored, in practice there will always be variations between budgets and outturn figures as managers seek to deliver services with limited resources.

### 6. Conclusion

- 6.1 This report summarises the outturn position for 2018/19 and requests members to approve the formal Statement of Accounts for 2018/19.

Financial Implications	As set out in the report
Legal Implications:	The Council is required to approve and publish the Statement of Accounts for 2018/19 by 31 July 2019
Crime and Disorder:	N/A
Equality and Diversity:	N/A
Equality Impact Assessment	N/A
Service Improvement Plan	This report and the Statement of Accounts reflect both service improvement plans and the corporate plan.
Corporate Plan:	
Risk Assessment:	Section 3 of the report
Background papers:	Final Accounts working papers
Appendices	A Statement of Accounts 2018/19 B Letter of Representation
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