

**AGENDA ITEM**

**REPORT TO AUDIT AND  
GOVERNANCE COMMITTEE**

**30 MAY 2019**

**REPORT OF DIRECTOR OF  
FINANCE AND BUSINESS  
SERVICES**

**DRAFT STATEMENT OF ACCOUNTS 2018/19**

**PURPOSE OF REPORT**

This report presents to Members the Council's Draft Statement of Accounts for 2018/19.

**RECOMMENDATIONS**

That Members note the Draft Statement of Accounts for 2018/19.

**DETAIL**

1. The accounts have been completed in accordance with the "Code of Practice on Local Authority Accounting in the United Kingdom 2018/19" which is prepared under International Financial Reporting Standards.
2. The Accounts and Audit Regulations (England) 2015 came in to effect on 1<sup>st</sup> April 2015. The regulations changed the arrangements for the approval and publication of the Statement of Accounts and the Annual Governance Statement. Under the regulations the Council must publish its audited Statement of Accounts and approved Annual Governance Statement by 31<sup>st</sup> July for the financial year 2018/19.
3. The period in which electors have the right to examine the accounts, question the auditor and to make objections at audit has been set. This is a period of 30 working days which, for 2018/19, must include the first ten working days of June which covers the 3<sup>rd</sup> to the 14<sup>th</sup> June. The inspection period for this year commences today and will end on 12<sup>th</sup> July 2019.
4. The accounts for 2018/19 now include additional statements in relation to the Councils group undertakings for the ownership of the Stockton Hotel and Stockton Holding Companies.
5. The following key financial issues (non-group) are included in the accounts:
  - Non-Current Assets amounted to £337.9 million (Group £337.1m); this is an increase of £16 million over 2017/18. This increase reflects the additional investment in the CCLA Property Fund and in investment properties.
  - Current investments and Cash amount to £6.9 million (Group £7.5m). This is a decrease of £29 million from the previous year. This is due to the additional long term investment in the CCLA Property Fund which is included within the Non-Current Asset figure above and using cash reserves to fund the capital programme

prior to entering into borrowing.

- The Council's current Long and Short-Term Borrowings total £47.2 million which is a reduction of £0.1 million.
  - The Council's earmarked reserves (excluding schools) stand at £59.9 million which is a decrease of £4.4 million from the previous year. This reflects the planned use of reserves to fund the capital programme.
  - The level of General Fund balances at the 31<sup>st</sup> March stands at £8.4 million and School Reserves stand at £4.8 million.
  - The Council's Pension Scheme deficit has increased to £257.0m, an increase of £33.1m. This results from the actuaries' assessment of fund performance and the re-measurement of scheme assets and liabilities.
6. The external auditors, Mazars LLP have already commenced the statutory audit. Their progress report is included on the agenda for this meeting.

## **FINANCIAL AND LEGAL IMPLICATIONS**

Regulation 9(1) of the Accounts and Audit Regulations 2015 requires the Council's Responsible Financial Officer (Director of Finance and Business Services) to sign and date the statement of accounts, and certify that it presents a true and fair view of the financial position of the Council. Regulation 9(2) requires the Statement of Accounts to be approved by members prior to publication. Regulation 10(1) requires the publication of the approved, audited Statement of Accounts by 31<sup>st</sup> July 2019.

## **RISK ASSESSMENT**

None directly from this report.

## **COMMUNITY STRATEGY IMPLICATIONS**

None directly from this report.

## **CONSULTATION**

None directly from this report.

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