7a Statement of Accounts 2014/15 and the Independent Auditor's Report to the Partnership 2014/15

o Purpose of Report and Background

This report submits the audited Statement of Accounts for 2014/15 to be approved by the Partnership Board for signature and for the information of the Board, the independent auditor's report on the audit.

o Background

Local Authorities and similar bodies are required to ensure that they demonstrate proper stewardship of their financial affairs. The Statement of Accounts, together with the opinion expressed by the independent auditor on the activities of the Partnership, is designed to meet these requirements.

The auditor for the Partnership, Deloittes LLP, has expressed an unmodified opinion on these Statements and this is detailed in pages 31 to 32 of Appendix 1, the Statement of Accounts.

It is also a requirement of the governing regulations that the audited Statement of Accounts will be made available for public inspection and sale to interested parties at a reasonable charge. This charge has been set at £10 in past years and it is proposed that no alteration be made to this charge for printed copies of the Accounts. The audited Statement of Accounts will also be available on the Partnership website and can be accessed and downloaded free of charge.

o Statement of Accounts 2014/15

The Statement of Accounts is prepared in accordance with the Code of Practice for Local Authority Accounting in the UK. The document comprises a number of statements, but Members' attention is drawn to the following main items:

Pages 2 – 6	Management Commentary
Page 10	Movement in Reserves Statement
Page 11	Comprehensive Income & Expenditure Statement
Page 12	Balance Sheet showing the financial position as at 31 March 2015.
Pages 31 – 32	Independent Auditor's Report

Other prescribed statements are included along with notes to the core financial statements as appropriate. There are no Group Accounts to be commented upon.

o Adjustments to the Unaudited Statement of Accounts 2014/15

The Unaudited Statement of Accounts was presented to the Partnership at the last Board meeting on 17th June 2015. Since then the year end audit has been completed. As part of this work, checks were undertaken on expenditure that was accrued in 2014/15 for works completed but where the invoice had not been paid as at 31st March 2015, to ensure that it had subsequently been paid in the new financial year.

This work identified an accrual for expenditure on a project for variable message signs that had been overstated by £93,537, as Nestrans had been advised that the project had been completed. However, it transpired that there had been delays due to the requirement for IT servers to be upgraded to enable them to support the software required to run the variable message signs. This was not communicated to Nestrans staff and consequently the accrual for the value of work completed in 2014/15 was overstated.

This misstatement has been corrected in the final statement of accounts.

o Independent Auditor Report to the Board

The independent auditor's report to the Board is an important aspect of the auditor's work in expressing an opinion on the Statement of Accounts. A copy has been included as Appendix 2 to this report and Jim Boyle, the Partnership's Senior Statutory Auditor, will be in attendance to speak more fully to the Board on this document. The report covers the principal matters or issues that have arisen from the audit process and provides a useful commentary on the Partnership performance, corporate governance and best value achievement as well as a review of areas of significant audit risk. The report is very positive and attests to the strengths of the systems and controls we have in place to manage the financial activities of the Partnership. There are two minor action points within the report which have been agreed and plans for improvements have been established.

o Recommendations

The Board is recommended to:

1 Approve for signature the audited Statement of Accounts for 2014/15;

2 Consider the Independent Auditor's Report;

3 Agree that a £10 charge for a printed copy of the Statement of Accounts be made and that the Statements can be accessed and downloaded free of charge from the Nestrans website.

Alex Stephen
Treasurer
06 August 2015