

SOUTH THAMES GATEWAY BUILDING CONTROL JOINT COMMITTEE

13 JUNE 2013

FINAL OUTTURN AND STATEMENT OF ACCOUNTS 2012-2013 AND APPOINTMENT OF EXTERNAL AUDITOR

Report from: Mick Hayward, Treasurer to the Joint Committee

Summary

The report addresses the requirement for the Joint Committee to approve the draft statement of accounts for the 2012-2013 financial year.

1. Budget and Policy Framework

1.1 The Memorandum of Agreement and the Accounts and Audit Regulations 2003 require formal statements to be approved by the Joint Committee and these are provided at Appendix 1 to this report.

2. Final Outturn 2012-2013

2.1 The budget for 2012-2013 was set at achieving a surplus of £46,736.

2.2 Table 1 below provides further detail of the outturn and partner contributions.

Table 1

STG OUTTURN v BUDGET

	2012-13 Budget £000s	Q3 Forecast £000s	2012-13 Actual £000s
Total expenditure	1,407	1,333	1,330
Plus added contribution to IT software		2	2
Fee income	(1,102)	(983)	(988)
Partner contributions (public protection)	(352)	(352)	(352)
Net Deficit / (Surplus)	(47)	(0)	(8)
Contributions – Public Protection			
- Gravesham (20%)			70
- Swale (27%)			95
- Medway (53%)			186

- 2.3 Building Control Charging Regulations which impacted on STG from October 2010 meant that, although the Joint Committee sets its own charging policy (rather than regulated fees), it is required to demonstrate 'breakeven' on chargeable work over a period of time. The surplus / deficits arising since October 2010 are shown in Table 2 below.

Table 2

Cumulative Surplus / (deficit) on chargeable works	Oct 10 – Mar 11 (£)	11-12 (£)	12-13 (£)	Total (£)
- Gravesham (20%)	(10,695.74)	0	1,551.89	(9,143.85)
- Swale (27%)	(14,439.25)	0	2,095.05	(12,344.20)
- Medway (53%)	(28,343.71)	0	4,112.52	(24,231.19)
Total	(53,478.70)	0	7,759.46	(45,719.24)

3. Statement of Accounts

- 3.1 The draft statements for approval are attached at Appendix 1. These include

3.1.1 Section 1 – Statement of Accounts

3.1.2 Section 2 – Governance Statement

This section summarises the expectation on the Joint Committee in the way it manages the Partnership.

3.1.3 Section 3 – External auditor's certificate and opinion

To be completed in due course by the external auditor with any issues reported back to the Joint Committee.

3.1.4 Section 4 – Annual Internal Audit Report

The accounts of the Partnership are currently hosted by Medway Council and maintained on Medway's financial systems. As such there was no bespoke internal audit of the Partnership in 2012-13 but the Audit Service Manager is able to provide the necessary certification on the basis of work undertaken on Medway's systems.

- 3.2 The format of the accounts complies with the 'limited assurance' audit approach explained in the appendices to this report. Following approval of these draft accounts by the Joint Committee the external audit will commence including the opportunity for the general public to inspect the financial records. In due course the external auditor will report back to the Joint Committee on his findings.

4. Appointment of the External Auditor

- 4.1 The Audit Commission has proposed Littlejohn LLP as the Joint Committee's auditor for five years from 2012-13.

5. Financial Implications

- 5.1 These are contained within the body of this report.

6. Legal Implications

- 6.1 There is a legal requirement for the Joint Committee to approve the draft Statement of Accounts.

7. Recommendations

- 7.1 That the Joint Committee:
- notes the outturn for 2012-13 and respective partner contributions as presented in Table 1.
 - approves the Statement of Accounts as presented at Appendix 1
 - approves the appointment of Littlejohn LLP as auditor to the Joint Committee for the 2012-13 to 2016-17 financial years.

8. Suggested Reasons for Decisions

- 8.1 The Joint Committee has a key role in monitoring the performance of the Partnership and is required to approve the Statement of Accounts.

Lead officer contact

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