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<b>Subject:</b>	<b>STATEMENT OF ACCOUNTS 2023/24</b>
<b>Meeting and Date:</b>	<b>Governance 26 September 2024</b>
<b>Report of:</b>	<b>Mike Davis, Strategic Director (Finance &amp; Housing)</b>
<b>Portfolio Holder:</b>	<b>Councillor Stacey Blair, Portfolio Holder for Finance, Governance, Climate &amp; Environment</b>

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<b>Purpose of the report:</b>	To present the draft (unaudited) Statement of Accounts for 2023/24 to Governance Committee.
<b>Recommendations:</b>	That the draft Statement of Accounts for 2023/24 (appendix 1) be noted.

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## 1. Summary

- 1.1. This report presents the draft Statement of Accounts 2023/24 to Governance Committee for information before the start of the external audit process. The Statement of Accounts should be read in conjunction with the Financial Outturn Report included separately on this agenda.
- 1.2. The 2023/24 Financial Outturn was presented to Cabinet on 2 September 2024 based on the draft 2023/24 Statement of Accounts position.

## 2. Background

- 2.1 Production of the Statement of Accounts is a statutory requirement for all local authorities.
- 2.2 The Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24. The Code is based on a hierarchy of approved accounting standards. There have been no material changes to the presentation of the Accounts for 2023/24.
- 2.3 Under the Council's constitutional arrangements, the Governance Committee is charged with the responsibility for approving the Statement of Accounts by 28 February 2025 in accordance with regulations.
- 2.4 The 2023/24 Statement of Accounts is subject to the external audit process, due to commence in October 2024, and remains draft until the completion of the audit process and final sign off by Governance Committee (anticipated to be February 2025).

## 3. The Statement of Accounts

- 3.1 An unaudited set of Accounts for 2023/24 is enclosed with this agenda. It consists of the following individual financial statements and associated notes. The Statement of Accounts includes the following financial statements and associated notes:

- **Statement of Responsibilities for the Statement of Accounts**

This sets out the respective responsibilities of the Authority and the Council's responsible financial officer.

- **Core Financial Statements**

The core financial statements consist of the following statements and associated notes:

- **Comprehensive Income and Expenditure Statement – CIES**

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from Council Tax collected. Authorities raise Council Tax to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

- **Movement in Reserves Statement - MIRS**

The Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'.

The statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The net increase/decrease line shows the statutory General Fund balance and Housing Revenue Account (HRA) balance movements in the year following those adjustments.

- **Balance Sheet**

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities held by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories.

The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (e.g. the capital reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves is those that the Council is not able to use to provide services. This category includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments Between Accounting Basis and Funding Basis Under Regulations'.

- **Cash Flow Statement**

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the

Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

- **Notes to the Core Financial Statements**

The notes present information about the basis of preparation of the financial statements and the specific accounting policies used, e.g. the method of depreciation used, policies in respect of provisions and reserves and accounting for pension costs. The notes disclose information required by the Code that is not presented elsewhere in the financial statements but is relevant to understanding them.

- **Collection Fund**

All council tax and business rates Dover District collects are paid into this separate account before being passed to the precepting authorities and Central Government.

The Collection Fund for English authorities is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and the distribution to local authorities and Central Government of council tax and national non-domestic rates.

- **The Housing Revenue Account**

The HRA Income and Expenditure Statement shows the economic cost in the year of providing social housing services in accordance with generally accepted accounting practices. The increase or decrease in revenue balance in the year is shown in the Movement on the HRA Statement.

- **Charities Administered by Dover District Council**

This section includes summarised accounts for three charities for which Dover District Council is the sole trustee.

#### 4. **Appendices**

Appendix 1 – Statement of Accounts 2023/24

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