

Annual Statement of Accounts 2012/13

Committee: Audit Committee

Date: 24th Sept 2013

Author: Board Director: Resources

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report presents the Council's annual statement of account, updated for audit changes as at Monday 16th September 2013.
- 1.2 The audit committee is the designated body for approval of the Council's final accounts.

2. Recommendations

The Committee is recommended to:

- 2.1 Note the content of this report, the statement of accounts that are to follow, any verbal updates provided at the Committee meeting and updates from the External Auditors.
- 2.2 Approve the annual statement of accounts.

3. Detail

Update on the Draft Accounts

- 3.1 The draft accounts were completed within statutory timescales in June 2013 but were not available at the time of the June Audit Committee meeting. Copy of the draft statements was subsequently provided for Members after sign-off by the Board Director: Resources.
- 3.2 The accounts Appendix to accompany this report will be provided prior to the committee meeting and will be a latest version which has been updated for agreed changes currently identified through the audit process. This includes any changes necessary after audit of the group accounts. There have been no adjustments impacting on the general Fund balance, which remains at £6m.

Audit Process and Adjustments

- 3.3 The annual audit process is still being undertaken and the External Auditors, Grant Thornton, are reporting separately on their findings. It is anticipated that a verbal update will be provided at the Committee meeting for any material items identified, which are not covered by this report.

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- 3.4 The changes agreed to date, and which are being updated for, were agreed to improve the accuracy of some accounting balances, and for the way in which some transactions move through the different statements. The below areas have been adjusted for:
- 3.4.1 Profit or Loss on Disposal – the correction of some disposal values which should have been shown within the Financing section of the CIES (Comprehensive Income and Expenditure Statement), or within the capital receipts reserve, and the additional disposal of small asset values.
 - 3.4.2 Reclassification – a number of reclassifications including the split of short and long term provisions has been adjusted for increases to provisions that were incorrectly netted off from reductions, plus the reclassification of an asset under construction to other land and building. There are also a number of reclassifications within the net cost of services where items of expenditure and income have incorrectly been linked to the wrong service analysis. Although material in value between service headings, the impact of these adjustments on the overall net cost of services is nil.
 - 3.4.3 The PFI liability held on the balance sheet has also been adjusted to reflect for costs of construction that were omitted from the original accounting treatment modelling. These costs were not included under the original construction values for the PFI schools but were costs of bringing the schools into use and should have been included within the asset values. As the initial balance sheet liability is a contra-entry to creating the assets, these costs need to be reflected in that valuation. This only impacts on the accounting treatment for the PFI within the accounts.
 - 3.4.4 Roundings/Additions – rounding adjustments and updates to disclosures to improve consistency between notes.
- 3.5 The items being updated for the Appendix 1 accounts are only to correct accounting transactions, balances or disclosures, and have no impact on the General Fund balance. Any other changes identified and agreed after distribution of the statement of accounts to Members will be notified at the Committee meeting.

4. Alternative Options

- 4.1 None – the annual statement of accounts is a statutory process.

5. Implications, Diversity Impact Assessment and Risk Management

Financial and Procurement Implications

- 5.1 These have been reflected in the body of the report.
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Legal and Human Rights Implications

- 5.2 All legal and human rights considerations have been taken fully into account in compiling this report. It is considered that the recommendations of this report are compatible with Convention rights.

All Other Implications (including Staff, Sustainability, Health, Rural, Crime and Disorder)

- 5.3 There are no such direct implications.

Links to One Swindon, Strategic Objectives, Plans and Policies

- 5.4 The effective management of financial resources through robust financial management processes underpins the Council's ability to achieve its plans and priorities.

Diversity Impact Assessment

- 5.5 A Diversity Impact Assessment (DIA) has not been done as this report does not make any new recommendations that would have a detrimental impact on services.

6. Consultees

- 6.1 The Board Director: Resources (Section 151 Officer) and Director of Law and Democratic Services (Monitoring Officer) are consulted in respect of all reports.

7. Background Papers

- 7.1 Audit Committee Tuesday 25th June 2013, Agenda Item 6 "Annual Statement of Accounts 2012/13"

8. Appendices

- 8.1 Appendix 1: Annual Statement of Accounts (*Copies of the Annual Statement of Accounts have been circulated to members of the Committee under separate cover. Copies are available from Committee and Member Services on request.*)