

Annual Statement of Accounts 2013/14

Committee: Audit Committee

Date: 15th April 2014

Author: Board Director, Resources

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report provides an update on the progress towards the completion of the 2013/14 Statement of Accounts
- 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.

3. Detail

Update on the 2013/14 Statement of Accounts

- 3.1 Under statutory requirements the draft annual accounts require authorisation by the Council's Section 151 Officer (Board Director, Resources) by the end of June. The position of the draft accounts is normally reported to the Audit Committee at its June meeting for information, but is not a requirement for the Committee to approve them.
- 3.2 There are no significant changes to the accounting Code of practice for 2013/14. The accounting policies remain as per the 2012/13 statement of accounts.
- 3.3 Although there are no significant changes to the Code that impact on the Authority's accounting policies, a number of changes are being made that will require changes to figures or disclosures. The key areas this relates to are for:
 - 3.3.1 Post-employment benefits – changes to International Accounting Standard 19 have now been incorporated within the Code. It will require revised disclosure and restatement of prior period revenue figures for the last financial year. Changes are reversed out as part of the accounting process and will not impact on the General Fund.
 - 3.3.2 Business rates – changes to the way in which business rates are accounted for within the Collection Fund to reflect agency arrangements (meaning the Authority only shows amounts that relate to its share of balances, excluding proportions that relate to preceptors) are being

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implemented. This required change is covered under current policy for Council Tax elements of the Collection Fund and changes are expected to be brought prospectively, without changes to opening balances.

- 3.3.3 Service analysis – there have been a number of small changes to the service reporting code, with the main change being the inclusion of a new line for Public Health services.
- 3.4 In addition to the impact of changes to the accounting Code, the Authority has local areas that are being reviewed in closing the 2013/14 accounts:
- 3.4.1 Wichelstowe – the relevant value from assets under construction will be transferred into operational assets and accounted for under relevant accounting policy for infrastructure assets.
- 3.4.2 Private Finance Initiative (PFI) – in the final accounts for 12/13 the PFI balance sheet liability was lower than the liability modelled by the external auditor. This continues to be reviewed, and upon conclusion may result in a prior period adjusted to update the balance sheet position.
- 3.4.3 Swindon Commercial Services – staff transferred over to the Authority on 1st November 2013 and many of the services previously provided by the subsidiary company are now 'in-house' and being provided as direct services of the Council. This results in reduced transactions within the group accounting boundary. The full impact on transactions won't be seen until 2014/15, due to the part-year integration in 2013/14.
- 3.4.4 Timing of the Audit Committee for approval – in previous years the formal approval of the accounts has tended to be the last Tuesday of September to give as long as possible for the audit which started in August. Grant Thornton are now resourced to start the audit of the accounts through July. This should remove the later completion to the audit seen in prior years, so the September audit committee date is scheduled for a week earlier this year.
- 3.4.5 Format of the accounts – The Chartered Institute of Public Finance and Accountancy (CIPFA) and external auditors have tried to provide examples or suggestion on how an Authority's statement of accounts may be made more user friendly. This will be looked at as the accounts are produced this year and could be through:
- Removing non-statutory notes that aren't material, or
 - Excluding policy information for non-material transaction/processes or
 - Greater inclusion of graphical figures rather than tables of numbers.

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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.

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 None

8. Appendices

- 8.1 None