

# Draft Annual Statement of Accounts 2014/15

**Committee: Audit Committee**

**Date: 16 June 2015**

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Author: Board Director Resources

Wards: All

Locality Affected: All

Parishes Affected: All

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## **1. Purpose and Reasons**

- 1.1 To provide an update on the position of the 2014/15 statement of accounts.
- 1.2 The audit committee is the designated body for approval of the Council's final accounts due for sign off by the end of September.

## **2. Recommendations**

The Committee is recommended to:

- 2.1 Note the content of this report.

## **3. Detail**

Update on the Draft Accounts

- 3.1 The accounts are required to be signed off by the Council's S151 officer, the Board Director Resources, by the end of June. The draft accounts are still being compiled; however, there is no expectation that the accounts won't be sign-off within statutory deadlines.
- 3.2 The timetable for the year aimed to have the core Swindon Borough Council section of the accounts (i.e. excluding group statements) completed by the end of May. This is now targeted for the 12<sup>th</sup> June due to delays in closing the accounts. The delays were mainly due to external information being unavailable under planned timescales. This has been a national difficulty for valuation office data that feeds in to appeals calculations for the Collection Fund. There were also difficulties in accessing the asset register which hindered the capital adjustments needed for the accounts. The combination of these two events added two weeks to planned timescales.
- 3.3 It is not expected that such delay for the valuation office data will occur in future as it was related to a year-end rush by organisations to send claims to the valuation office. The valuation office subsequently had significantly more claims to process and extended their timescales of when data was available.
- 3.4 Within the draft accounts there are three areas where significant judgement has taken place more than usual. These are commented on within the relevant disclosure in the accounts, but are presented here:

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## Investments Assets

- 3.4.1 From further reflection of the Code, it has been concluded that the nature of assets held by the General Fund that bring in income are not investments. The classification of investment assets under the Code is strict, relating only to items that are held solely for income generation or capital appreciation. For the Council, General Fund assets that have brought in income are not held solely for this purpose, but also for regeneration, community benefit, and employment benefits, amongst others. These assets are shown as being reclassified to operational assets.

## Voluntary Aided/Controlled Schools

- 3.4.2 In its role as a local education authority the Council oversees a range of Voluntary Aided and Voluntary Controlled schools. The different form of school affects the make-up of their governing body, the admissions policy, funding arrangements and the legal ownership of assets. The conclusion of a national review on such schools' assets was the expectation that these assets would not be part of Local Authority balance sheets. From consideration of the information available it has been concluded that this is the local position and such school assets remain off balance sheet.

## Leisure Assets

- 3.4.3 The Authority transferred the operating of its leisure services to third party providers during 2014/15. On review of the status of the long-term assets connected with the transfer, it has been concluded that they should remain on the Local Authority balance sheet as operational assets. This is in line with requirements of the Code criteria.
- 3.5 There is not expected to be any change to investment or leisure asset classifications, however, if additional information becomes available around voluntary schools, the position would be reviewed and may change the balance sheet.
- 3.6 The external audit of the accounts will progress through the summer with the final accounts coming to Audit Committee in September. Members will be presented with a separate report from the external auditor at that time.

## 4. Alternative Options

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

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## 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 Finance, Revenues, Benefits and Property (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.