

Annual Statement of Accounts 2014/15

Committee: Audit Committee

Date: 29th September 2015

Author: Board Director, Resources

Wards: All

Locality Affected: All

Parishes Affected: All

1. Purpose and Reasons

- 1.1 This report provides details of the 2014/15 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 Consider the content of this report, the attached Statement of Accounts, and separate report of External Audit.
- 2.2 Approve the Statement of Accounts for 2014/15.

3. Detail

- 3.1 Under statutory requirements the draft annual accounts were authorised by the Council's Section 151 Officer (Board Director, Resources) by the end of June. The final accounts are then subject to external audit and should be approved by the Authority's designated Committee. The Audit Committee is the designated committee for the Council.
- 3.2 The Final Accounts are required to be published by the 1st October, and arrangements have been made for IT services to publish the accounts on the Council website on the 30th September. They must be published by this date whether the audit opinion is complete or not.

Key Points on the Final Accounts

- 3.3 The following sections summarise the main items impacting on the financial statements for 2014/15, and highlight the material audit adjustments that have been made:
 - 3.3.1 Layout of statements – to provide a better trail from the in-year budget monitoring headings that are more familiar, the 'Internal Service Reporting' statement has been moved to the front of the accounts and precedes the Comprehensive Income and Expenditure Statement (CIES). This shows how the outturn reported figures are adjusted to comply with the

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accounting statements, and the balances that then appear in the subsequent income and expenditure statement.

- 3.3.2 Split of Leisure Services – the CIES is required to show the income and expenditure of discontinued services separate from those that are on-going. The position of the Leisure assets, however, is that they remain on the Authority balance sheet under accounting basis.
- 3.3.3 Revaluation of Long-term assets – historically it has been the standard process that 1/5th of the property portfolio is revalued every year on a rolling basis. In order to provide greater assurance over the valuations included on the balances sheet, the Property section revalued 72% (by value) of the portfolio, including the HRA housing stock.
- 3.3.4 Thamesdown Transport financial asset – as it is the start of their audit term, the new auditors for Thamesdown Transport have reviewed the arrangements for the servicing of their pension liability, and concluded that the Company should have a financial liability on their balance sheet. This has resulted in the creation of a financial asset for the Borough to match for the Group position. This balance has been entered as a restatement and represents the asset created from related cash flows from the Company in perpetuity. It is balanced off by a non-cash earmarked reserve that will be written down in future as the asset value is adjusted. On Group consolidation the financial asset and liability net off and are removed.
- 3.4 The draft statements were updated for the inclusion of the above Thamesdown Transport financial asset, plus the correction of the below material items, which are also included in the report of the auditors:
 - 3.4.1 A late reduction in the valuation of a school was not captured in the draft accounts and has been updated for.
 - 3.4.2 The write back of depreciation on HRA revaluation was not correctly transacted through the statements.
 - 3.4.3 The netting off of central government accruals for NNDR accounting failed to include all balances and an adjustment has been made to consolidate balances.
- 3.5 The adjusted items have had no impact on the General Fund balance, which remains at £6m.

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 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 Appendix 1: Annual Statement of Accounts 2014/15 (*To be forwarded to members of the Committee under separate cover. Copies of the accounts are available on the Council's website and/or request from Committee and Member Services*)