

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE

11th July 2014

REPORT AUTHOR: Professional Lead for Finance

SUBJECT: Statement of Accounts 2013/14

REPORT FOR: Information

1. Introduction

- 1.1 The Statement of Accounts for 2013/14 were signed off by the Strategic Directorate Resources (Section 151 Officer) on the 30th June 2014. This met the statutory deadline.
- 1.2 The Accounts were forwarded to the Welsh Audit Office team on the same day and the Audit is now underway.

2. Key Dates

- 2.1 The Statement of Accounts are required to be approved by the Audit Committee and signed off by the Chair by the 30th September 2014. Audit Committee is arranged for the 26th September to do this.
- 2.2 At that point the Welsh Audit Office will have completed their Audit and will issue their Independent Auditors report. The report gives an opinion on the Accounting Statements and whether they give a true and fair view of the financial position of the Council and the Pension Fund and have been properly prepared in accordance with the relevant Codes of Practice.
- 2.3 The Accounts have to be made available for Public Inspection and the Auditors are required to make themselves available for questions on the Accounts. This will be advertised and the 14th August has been made available for this.
- 2.4 A workshop will be arranged in September before the Audit Committee to review the Accounts in detail and discuss any issues raised by the Auditors.

3. Statutory Requirements

- 3.1 The Statement of Accounts is prepared in accordance with the Accounts and Audit Regulations 2005 and the format and content of the Accounts are dictated by the 2013 Code of Practice.

The Statement of Accounts comprises of the following:-

Explanatory Forward

The Statement of Responsibilities

Core Financial Statements which include:-

- Movement in Reserves Statement
- Comprehensive Income and Expenditure Statement
- Balance Sheet
- Cash Flow Statement
- Notes to the Core Financial Statements
- The Pension Fund Accounts
- The Annual Governance Statement
- The Housing Revenue Account

4. Progress from 2012/13

- 4.1 Last year (2012/13) the preparation of the Statement of Accounts was a challenge due in the main to the changes of key staff within Finance. As a result the Strategic Director Resources committed to undertake a review. This was delivered by Price Waterhouse Cooper who completed an assessment of our readiness to close the accounts during April and May and finished their work with a workshop that discussed improvements and a project management approach for future years. This work has shaped some elements of what we do this year and will prove invaluable in next years accounts preparation and process.
- 4.2 As part of a very tough financial settlement Professional Services had to find efficiency savings for 2014/15 and the restructuring of Finance has resulted in reductions of staff. The loss of staff in some areas has inevitably impacted on the closing process this year but the revised structure once fully resourced will provide the appropriate staffing levels going forward. Overall the process this year has shown improvement.

5. Revaluation of County Farms

- 5.1 The Revaluation of County Farms is still underway and the accounts have been signed off by the Section 151 officer in the knowledge that if any material changes are required the accounts will be adjusted before the September deadline. This approach has been agreed with Wales Audit Office.

6. Statement of Accounts

- 6.1 The overall Reserves position has increased from £172m to £302m, of which useable reserves have decreased from £62m to £56m.
- 6.2 The Comprehensive Income and Expenditure Statement shows Cost of Service of £254m, this differs from the Outturn reported due to different reporting requirements. The Cost of Services figure does not include items such as precepts and levies which are included in the management reports as these are

reported in the figures below. A full reconciliation is undertaken to explain these differences.

- 6.3 The Balance Sheet show that assets exceed liabilities by £302m a rise of £129m since last year, the main reason for this change is an increase in the Value of Property Plant & Equipment, this is due to revaluations and additions.
- 6.4 The Cash Flow Statement shows an improved balance of cash held at the end of the year.
- 6.5 There was a net increase of £20.2m on the Pension Fund, with a £19m profit returned on investments.

Recommendation:	Reason for Recommendation:
To note the contents of the report.	To contribute to effective Governance Arrangements and maintain an effective control environment for reporting and scrutinising financial performance.

Contact Officer Name:	Tel:	Fax:	Email:
Jane Thomas	01597 823810		jane.thomas@powys.gov.uk

Background Papers used to prepare Report:

Statement of Accounts 2013/14