

Statement of Accounts 2012/13 (Draft subject to Audit)

Audit Committee
17th July 2013

Statement of Accounts

- » **Purpose and Background**
- » **Key Dates**
- » **Responsibility**
- » **Contents and Overview**
- » **Links to budget monitoring**
- » **Headlines**
- » **Core Statements**
- » **Next Steps**
- » **Questions**

Purpose and Background

- » **To provide clear information to all interested parties about the Council's finances.**
- » **Information includes:**
 - » Costs of providing services in the year of account
 - » How those costs have been funded
 - » Assets and Liabilities at year end
- » **Prescribed format and style to enable comparisons with other Local Authorities and other organisations.**
 - » Aimed at 'the Reader'

Key Dates

- | | |
|--|--|
| » 30 th June | Produce draft statement |
| » 1 st July | External Audit commenced |
| » 17 th July | Initial Audit Committee consideration
(approval at this stage not required) |
| » 1 st – 29 th
August | Accounts available for Public Inspection |
| » Aug / Sept | Further Member consideration |
| » 25 th Sept AM | Audit Committee
- Final Statement of Accounts
- WAO report |
| » 25 th Sept PM | Council for approval |
| » 30 th Sept | Publish approved Statement |

Responsibility

- » **Statement does not belong to Finance**
- » **Corporate document – “owned’ by every Member and Officer of the Council**

- » **Statement of Responsibilities**
 - » Authority
 - » Head of Finance
- » **Statement of Accounts is signed by:**
 - » Chair of the Council
 - » Head of Finance

Contents and Overview

- » **Explanatory Foreword (Pages 22 – 27)**
- » **Statement of Responsibilities (Page 28)**
- » **Core Statements (Pages 29 – 34)**
- » **Notes to the Core Statements (Pages 35 – 92)**
- » **HRA Statements and Notes (Pages 93 – 96)**
- » **Clwyd Pension Fund Accounts (Pages 97 – 123)**
- » **Annual Governance Statement (Pages 126 – 140)**

Links to Budget Monitoring

- » **Statement of Accounts**
 - » Financial Accounting
 - » Externally focused reporting
 - » Style reflective of the Code of Practice, Regulations, and Accounting Standards.
- » **Budget Monitoring**
 - » Management Accounting
 - » Internally focused reporting on performance against budget
 - » Style reflects the Council's reporting needs – locally determined

Headlines – Council Fund

- » **Net expenditure of £238.590m**
- » **Budget £242.678m**
- » **Spend less than budget by £4.088m**
- » **Increased to £4.229m by Council Tax income being higher than budgeted**
- » **Variance 1.75% of budgeted expenditure**

Headlines – Reserves at Year End

	£m 2012/13	£m 2011/12
Council Fund (Unearmarked) Balance	9.270	6.468
Earmarked Reserves	37.080	35.306
Schools	3.097	2.658
Total	49.447	44.432

Headlines - Capital

	£m Budget	£m Outturn	£m Over / (Under) Spend	% Budget v Outturn
Council Fund	30.698	26.454	(4.244)	86.17%
HRA	11.632	10.742	(0.890)	92.35%
Total	42.330	37.196	(5.134)	87.87%

Headlines - HRA

» Annual budget	£26.671m
» Spend below budget	£1.076m
» % of budgeted expenditure	4.03%
» Closing balance as at 31.3.2013	£1.931m
» % of revised budgeted expenditure	6.98%

Comprehensive Income and Expenditure Statement (CIES Page 31)

- » Shows the cost in year of providing services and how those costs have been funded.
- » Accounting cost in accordance with generally accepted accounting practices.
- » Regulations stipulates what expenditure is funded from local taxation which differs to the accounting cost.
- » Note 7 (Pages 57 – 59) reconciles the differences.
- » Note 2 (Pages 47 - 49) explains how figures reported in the CIES reconciles to those reported in the Final Outturn

Movement In Reserves Statement (Pages 29-30)

- » **Analysed into 'usable' and other 'unusable' reserves**
 - » 'usable' can be applied to provide services or reduce local taxation, subject to the need to maintain a prudent level of reserves and any statutory limitations on use. Includes capital and revenue reserves.
 - » 'unusable' reserves hold; unrealised gains and losses, or timing differences.
- » **Links with figures in Comprehensive Income and Expenditure Statement, Balance Sheet, and the underspend in the Outturn report**

Balance Sheet (Pages 32 – 33)

- » **Shows the value as at 31st March of the assets and liabilities held by the Authority**
- » **Net assets matched by total reserves**

	£m	£m
Non-Current Assets		790
Current Assets		102
Total Assets	892	
Current Liabilities		(50)
Non-Current Liabilities		(501)
Total Liabilities	(551)	
Net Assets	<u>341</u>	
Funded by:		
Usable Reserves		60
Unusable Reserves		281
Total Reserves	<u>341</u>	

Cash Flow Statement (Page 34)

- » **Reports changes in cash and cash equivalents over the year**
- » **Shows how cash and cash equivalents have been generated and used by classifying cash flows into 3 categories:**
 - » Operating activities
 - » Investing activities
 - » Financing activities

Changes in 2012/13

- » **No significant changes made to Code of Practice for Local Authority Accounting 2012/13**
- » **Changes made by Finance Department**
 - » Revised font and layout
 - » Expanded Contents page (pages 20 – 21)
 - » Expanded Foreword (pages 22 – 27)
 - » Compressed Comprehensive Income and Expenditure Statement (pages 31 – 32)
 - » Expanded Usable Reserves note 34 (page 78 – 79)

Next Steps

- » **WAO's audit of the Statement continues**

- » **Approval of final statement & recommendation to Council on 25th September**
- » **Publish by 30th September**

- » **In the meantime....**
 - » Further information?
 - » Queries / Questions?
 - » Member sessions with Finance Officers?

