



# Statement of Accounts 2013/14 (Draft subject to Audit)

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Audit Committee

16<sup>th</sup> July 2014



# Statement of Accounts

- » **Purpose and Background**
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# 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<sup>th</sup> June** Produce draft statement
- » **1<sup>st</sup> July** External Audit commenced
- » **16<sup>th</sup> July** Initial Audit Committee consideration (approval at this stage not required)
- » **31<sup>st</sup> July – 28<sup>th</sup> August** Accounts available for public inspection
- » **Aug / Sept** Further Member consideration
- » **24<sup>th</sup> Sept AM** Audit Committee
  - Final Statement of Accounts
  - WAO ISA 260 report
- » **24<sup>th</sup> Sept PM** Council for approval
- » **30<sup>th</sup> 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
  - » Chief Finance Officer
- » **Statement of Accounts is signed by:**
  - » Chair of the Council
  - » Chief Finance Officer

# Changes in 2013/14

- » **Changes made to Code of Practice for Local Authority Accounting 2013/14**
  - » Post employment benefits. Adoption of June 2011 changes to IAS 19 – Note 44 (page 90).
  
- » **Changes made by Finance Department**
  - » Enhanced Accounting Policies (pages 32 – 48)
  - » Re-ordered Core Notes (pages 49 – 96)
    - » Notes directly linked to primary statements
    - » Notes of particular interest to readers
    - » Technical Notes
  - » Review of Core Notes to ensure Code compliance
    - » ST Debtors & Creditors (pages 60 – 61)
    - » Grant Income Note 18 (page 61)



# Contents and Overview

- » **Explanatory Foreword (Pages 20 – 24)**
- » **Statement of Responsibilities (Page 25)**
- » **Core Statements (Pages 26 – 31)**
- » **Notes to the Core Statements (Pages 32 – 96)**
- » **HRA Statements and Notes (Pages 97 – 100)**
- » **Clwyd Pension Fund Accounts (Pages 101 – 128)**
- » **Annual Governance Statement (Pages 131 – 151)**

# 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 £257.793m**
- » **Budget £259.752m**
- » **Spend less than budget by £1.959m**
- » **Increased to £3.387m by Council Tax income being higher than budgeted**
- » **Variance 1.30% of budgeted expenditure**

# Headlines – Reserves at Year End

	£m 2013/14	£m 2012/13
Council Fund (Unearmarked) Balance	11.161	9.270
Earmarked Reserves	41.461	41.438
Schools	3.261	3.097
<b>Total</b>	<b>55.883</b>	<b>53.805</b>

# Headlines - Capital

	£m Budget	£m Outturn	£m Over / (Under) Spend	% Budget v Outturn
Council Fund	27.005	25.101	(1.904)	92.95%
HRA	12.874	12.874	0	100%
Total	39.879	37.975	(1.904)	95.23%

# Headlines - HRA

» Annual budget	£28.259m
» Spend below budget	£0.229m
» % of budgeted expenditure	0.81%
» Closing balance as at 31.3.2014	£1.662m
» % of revised budgeted expenditure	5.81%



## Comprehensive Income and Expenditure Statement (CIES Page 28)

- » 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 stipulate what expenditure is funded from local taxation which differs to the accounting cost.
- » Note 5 (Pages 52 – 54) reconciles the differences.
- » Note 38 (Pages 80 - 83) explains how figures reported in the CIES reconciles to those reported in the Final Outturn

# Movement In Reserves Statement (Pages 26-27)

- » **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 and Balance Sheet.**

# Balance Sheet (Pages 29 – 30)

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

	£m	£m
Non-Current Assets		765
Current Assets		87
Total Assets	852	
Current Liabilities		(40)
Non-Current Liabilities		(451)
Total Liabilities	(491)	
Net Assets	<u>361</u>	
Funded by:		
Usable Reserves		64
Unusable Reserves		297
Total Reserves	<u>361</u>	



# Cash Flow Statement (Page 31)

- » **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



# Next Steps

- » **WAO's audit of the Statement continues**
  
- » **Approval of final statement & recommendation to Council on 24<sup>th</sup> September**
- » **Publish by 30<sup>th</sup> September**
  
- » **In the meantime....**
  - » Further information?
  - » Queries / Questions?
  - » Member sessions with Finance Officers  
9<sup>th</sup> Sept 2014 – 10am, Management Suite, Phase 1, 2<sup>nd</sup> Floor  
4pm, Management Suite, Phase 1, 2<sup>nd</sup> Floor