

**WILTSHIRE COUNCIL  
AUDIT**

**24 JULY 2018**

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**WILTSHIRE COUNCIL: STATEMENT OF ACCOUNTS 2017/2018**

**Purpose of Report**

1. To present the Statement of Accounts in respect of the 2017/2018 financial year for Wiltshire Council.

**Policy Considerations**

2. The Council is required to prepare an annual Statement of Accounts and to arrange for them to be audited and reported in accordance with the Accounts and Audit Regulations 2015 and the 2017/18 Code of Practice on Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA). The Statement of Accounts present the overall financial position of the Council reflecting the outturn position above.

**Background and Introduction**

3. The Code of Audit Practice (issued by the Audit Commission) and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom set out the requirements for the production and publication of the annual Statement of Accounts.
4. The draft Statement of Accounts are required to be certified by the Chief Finance Officer within two months of the financial year end (by 31 May 2018). At Wiltshire Council the Chief Finance Officer is the Associate Director, Finance.
5. The draft Statement of Accounts are then subject to external audit by the Council's appointed auditors (KPMG) before the final set is brought to the Audit Committee for final approval. This adoption process ensures that there is external independent scrutiny of the figures in the Statement of Accounts before they are brought to the Audit Committee. Under the constitutions, in Wiltshire the Statement of Accounts are adopted by the Audit Committee.
6. KPMG are required to report on any amendments from the draft Statement of Accounts as part of the submission of the final version to the Audit Committee. This is elsewhere on the agenda. The full report on issues arising from this audit is included in the ISA 260 report to those charged with governance. This report should be read in light of this document and the proposal is subject to any issues arising from this report.

## **Key Issues Arising**

7. The draft accounts were signed by the Chief Finance Officer on 31 May 2018, in line with the revised statutory deadline. KPMG started the year end audit on 4 June 2018. The draft accounts were taken to Cabinet on 12 June 2018.
8. The presentation of the audited Statement of Accounts to Audit Committee is ahead of the Statutory Deadline of 31 July.
9. The final outturn on the General Revenue Fund reported to Cabinet on 12 June 2018 was an underspend of £0.410 million and this was returned to General Revenue Fund Reserves. Further details of this were reported to Cabinet on 12 June 2018 in the Revenue Outturn Report.
10. The Housing Revenue Account was originally projected to return £0.592 million to HRA reserves. The final unaudited outturn position on the HRA is an underspend of £0.951 million. Additionally, there was a planned draw of £6.762 million from reserves to support the HRA new build programme. This results in an overall draw from reserves of £5.219 million.

## **Statement of Accounts format**

11. The Comprehensive Income & Expenditure Statement summarises the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from local taxation. Authorities raise taxation to cover expenditure in accordance with regulations. This is different from the accounting cost. The Movement in Reserves Statement reflects the true cost to council tax payers of services provided.
12. The national reporting requirements set out that the Accounts are prepared in accordance with a single set of standards for public and private sector bodies. As local authorities are funded from local and national taxation there are a number of technical adjustments made to the Comprehensive Income and Expenditure Account to ensure that consistency. These adjustments mean it can appear there is a different reporting position from the outturn. To overcome that there is now a reconciliation statement – the Expenditure Funding Analysis (EFA) that ties into this Outturn report. This identifies £85.998 million of technical adjustments:

	Net Expenditure Chargeable to the General Fund & HRA Balances £000	Adjustments between Funding and Accounting Basis (see note 13) £000	Net Expenditure in the Comprehensive Income & Expensive Statement £000
<b>General Fund Services</b>			
ASC Operations - Access & Reablement	52,024	1,664	53,688
Learning Disability & Mental Health	65,189	868	66,057
Public Health & Protection	1,739	1,557	3,296
Commissioning	20,497	230	20,727
Family & Children Services	57,759	2,835	60,594
Education & Skills	714	17,122	17,836
Economic Development & Planning	2,542	12,075	14,617
Highways & Transport	29,469	9,678	39,147
Waste & Environment	36,599	1,441	38,040
Housing & Commercial Development	15,370	13,567	28,937
Communities & Communications	6,720	6,757	13,477
Corporate Services & Digital	14,823	2,002	16,825
Finance	5,290	800	6,090
Legal & Democratic	5,144	478	5,622
Human Resources & Org Development	3,483	405	3,888
Corporate Directors	3,049	66	3,115
Corporate	(9,470)	14,453	4,983
<b>Net Cost of Service General Fund</b>	<b>310,941</b>	<b>85,998</b>	<b>396,939</b>

13. The Technical adjustments are then examined further in note 13 to the Statements and reflect changes for pensions, depreciation and other factors such as PFI transactions that do not impact on council tax funding:

	Adjustments for Capital Purposes (Note 13a) £000	Net change for the Pension Adjustments (Note 13b) £000	Other Differences (Note 13c) £000	Total Adjustments £000
<b>General Fund Services</b>				
ASC Operations - Access & Reablement	646	1,016	2	1,664
Learning Disability & Mental Health	203	654	11	868
Public Health & Protection	1,029	516	12	1,557
Commissioning	0	232	(2)	230
Family & Children Services	233	2,601	1	2,835
Education & Skills	16,084	1,966	(928)	17,122
Economic Development & Planning	11,284	788	3	12,075
Highways & Transport	8,996	677	5	9,678
Waste & Environment	804	644	(7)	1,441
Housing & Commercial Development	14,825	436	(1,694)	13,567
Communities & Communications	5,622	1,156	(21)	6,757
Corporate Services & Digital	991	985	26	2,002
Finance	0	803	(3)	800
Legal & Democratic	5	487	(14)	478
Human Resources & Org Development	35	372	(2)	405
Corporate Directors	0	65	1	66
Corporate	3	376	14,074	14,453
<b>Net Cost of Service</b>	<b>60,760</b>	<b>13,774</b>	<b>11,464</b>	<b>85,998</b>

## **Overview and Scrutiny Engagement**

14. There is a 30 working day public inspection period where interested parties may come in inspect the accounts.
15. The Wiltshire Pension Fund Statement of Accounts were taken to Pension Committee on 21 June 2018. At this meeting it was resolved to approve the draft Wiltshire Pension Fund Financial Statements 2017/18, subject to the completion of the audit and to refer the accounts to the Audit Committee to consider as part of the Wiltshire Pension Fund Committee accounts.

## **Safeguarding Implications**

16. None have been identified as arising directly from this report.

## **Public Health Implications**

17. None have been identified as arising directly from this report.

## **Procurement Implications**

18. None have been identified as arising directly from this report.

## **Equalities Impact of the Proposal**

19. None have been identified as arising directly from this report.

## **Environmental and Climate Change Considerations**

20. None have been identified as arising directly from this report.

## **Risk Assessment**

21. None.

## **Financial Implications**

22. There are no direct financial implications associated with this report.

## **Legal Implications**

23. There are no direct legal implications associated with this report.

## **Recommendations**

24. That Cabinet receives and notes the Statement of Accounts for 2017/2018.

## **Reason for Recommendations**

25. The Cabinet are aware of the Statement of Accounts for 2017/2018.

**IAN DUNCAN**

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The following unpublished documents have been relied on in the preparation of this report:

**Appendices:**

Appendix A

Wiltshire Council Statement of Accounts 2017/2018

Appendix B

Wiltshire Pension Fund Statement of Accounts 2017/2018