

## Wiltshire Council Statement of Accounts 2009/2010

### Purpose of Report

1. To present the final draft Statement of Accounts for 2009/2010 for the Council.

### Background

2. The first draft of the Statement of Accounts for 2009/2010 was presented on 30 June 2010. The latest draft is attached in Appendix 2. A reconciliation statement explaining the main differences between the two drafts is provided in Appendix 1.
3. The report issued by KPMG, the external auditors, on the Statement of Accounts for 2009/2010 is included earlier on the agenda.
4. The auditor's recommendations are detailed within Appendix 6 of the KPMG report. Relevant management responses are included.
5. The auditor's report on the Pension Fund accounts was presented to the Pension Fund Committee on 15 September 2010.

### Main Considerations for the Council

6. This was the first set of accounts produced for Wiltshire Council. There were significant issues in previous year's set of accounts. These have been reviewed and addressed in the production of this set of accounts.
7. This was also the first year the accounts were produced directly from the Council's new SAP system.
8. The auditors have reported a significant improvement in the quality of the accounts and the supporting working papers.

### Return to General Fund.

9. The accounts are produced in line with the current Accounting Code of Practice. However, the authority is required to raise council tax on a different accounting basis. This adjusts the deficit for several items, including capital financing, housing capital receipts and retirement benefits. These adjustments are fully annotated in the Statement of Movement on the General Fund. They adjust the technical deficit to the movement in reserves.
10. The Income and Expenditure Account shows a deficit for the year of £122.406 million. The net additional debits/ credits required under statute total £122.836 million. This gives a return back to general fund reserves of £430,000. This movement has not changed following the audit.

## **Audit Amendments**

11. There have been five audit adjustments made since the report to members on 30 June 2010.
12. The net impact on the general fund reserve as at 31 March 2010 as a result of the audit adjustments is nil.
13. Full details of the adjustments are included in appendix E of the KPMG report. A summary of the effect on the accounts is included below.
  - The derecognition of a transaction relating to a foundation school reduces both expenditure and income on the income and expenditure account and has no net difference to the income and expenditure account.
  - Assets relating to Salisbury City Council of £8.342 million. These assets were officially transferred on 27 May 2010, after the balance sheet date. A note was presented in the accounts explaining this post balance sheet event. During the audit it was agreed to remove these assets from the accounts to better reflect the use of the assets. This adjustment amends the figures for profit/loss on fixed asset by £8.342 million, but there is no impact on the general fund balance.
  - The other three adjustments (reclassification of school's balances, treatment of accrued interest and reclassification of suspense accounts) all amend the presentation of the balance sheet as shown in appendix 1.
14. As with previous reports, responses to all recommendations in the external audit report have been made with actions identified. These actions will be monitored and assessed in order to ensure the preparation of future Statement of Accounts continue to be robust and reliable.

## **Environmental Impact of the Proposal**

15. No issues have been identified arising from this report.

## **Equality and Diversity Impact of the Proposal**

16. No issues have been identified arising from this report.

## **Risk Assessment**

17. No issues have been identified arising from this report.

## **Financial Implications**

18. These are outlined in the report above.

## **Legal Implications**

19. There are no issues arising from this report.

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

None