

STATEMENT OF ACCOUNTS 2003-04

Purpose of the Report

1. The County Council is required to produce and approve an annual Statement of Accounts (SOA).

Background

2. This Committee approved the draft SOA on the 26 July 2004, subject to audit. The Auditor has subsequently carried out his work and this has led to some changes being made to certain disclosures in the SOA. These are detailed later in this report.
3. The Auditor has prepared a report to those charged with corporate governance and this appears as a later item on this agenda. The Auditor intends to sign his report on the 5 November 2004, after which the SOA will be published.
4. The Regulations require the SOA to be published, following the audit, by 30 November 2004 and earlier in subsequent years.

Main Considerations for the Committee

5. The format and content of the SOA are closely specified by the CIPFA Accounting Code of Practice. The need to comply with this Code and the complexity of some of the balance sheet transactions may mean that the SOA appears complex.

Changes since previous meeting

6. The Statement of Internal Control (SIC) was included as a draft report at the previous meeting. It has appeared as an item on this agenda and has been included on page 36 of the SOA for publication purposes.
7. I have signed the SOA and once the changes to the SOA are approved by this Committee, the Chairman will also be asked to sign. This is in line with the new requirements from the Accounts and Audit Regulations 2003.
8. The SOA has been made available for public inspection and comment, in accordance with the Audit Commission Act 1998. We have had one enquiry under these regulations in connection with County farms.

9. The Audit Commission have reviewed the accounts and associated working papers, during their audit.

Amendments made during the Audit

10. During internal quality assurance work on the Pension Fund it was discovered that the assets and liabilities of 7 Swindon schools had been included within the assets and liabilities of Wiltshire County Council. The correction of this error has resulted in a net increase in pension liability of £2.700 million. This change is shown on the balance sheet (page 19) and in note 16 (page 29).
11. Following discussion with the Auditors, we have adjusted our treatment of cash advances to schools so that the cash position in the balance sheet reflects money held in our bank accounts and those of the schools. In prior years the balance sheet has reflected only the County Council's own cash position and treated schools as if they were external organisations. There is no net effect of this change.
12. There is a requirement for the County Council to disclose, under Section 137 of the Local Government Act 1972, spending for the benefit of the population where it has no other authority to spend. During the year the County incurred no expenditure under this act therefore no disclosure was made. The Auditor requested that we make a nil disclosure and this can be found as note 4 (page 12).
13. At the meeting on the 26 July, Members of this Committee asked for more details on the disposal of fixed assets. I have included an additional note at 1.5 (page 21) which shows proceeds from sale and the current value of assets disposed of. There has also been an adjustment identified of £0.472 million between disposal proceeds and revaluation reserve.
14. Members also requested details of transactions with related parties and this is attached as Appendix 1.

Environmental Impact of the Proposal

15. None identified.

Risk Assessment

16. The SOA quantifies, provides for or notes any potential financial risks to the Authority, and therefore the assessment of risk is implicit throughout the document.

Financial Implications

17. The adjustments made to the accounts reflect changes in treatment of certain transactions. The FRS17 adjustment increases the County Council's pension liability by £2.700 million.

Reasons for Proposals

18. The proposals in the report arise from the statutory requirements of the Accounts and Audit Regulations 2003.

Proposals

19. To note the amendments and approve the SOA for the year ended 31 March 2004.
20. To agree that the Chairman of the Final Accounts Committee may sign the Final Accounts for 2003-04.

MIKE PRINCE
County Treasurer

Report Author: Ian Burbidge

Unpublished documents relied upon in the preparation of this report: NONE

26/2005/FAC/IB