

FINAL ACCOUNTS & AUDIT COMMITTEE
26 September 2005

STATEMENT OF ACCOUNTS 2004-05

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 30 June 2005, 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 intends to sign his opinion on the accounts in early October 2005, after which the SOA will be published.
4. The Regulations require the SOA to be published, following the audit, by 31 October 2005. The deadline for next year is the 30 September which based on the timetable achieved this year will also be achieved next year.

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 46 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. Following discussion with the Auditors there have been some adjustments made to the accounts which are of a technical nature or relate to disclosure requirements. None of these changes have affected the net position of the council.
11. We have adjusted our treatment of deferred charges following agreement with the Auditor on different interpretations of guidance provided by CIPFA. Deferred charges relate expenditure on aided schools which are not owned by Wiltshire County Council and should not therefore be included in the balance sheet.
12. These charges have been written off against the Capital Financing Account and not the Fixed Asset Restatement Account, and also appear in the consolidated revenue account and increase the “net cost of services” as shown on page 5. However, these changes do not impact on balances or the “amount to be met from government grants and local taxation”, which remain unchanged.
13. There have been other disclosure changes within the balance sheet these being as follows:-
 - Pension fund assets & liabilities, only the net liability has been shown.
 - Provisions have now been disclosed separately from current liabilities and more details have been provided.
 - An adjustment to Useable Capital Receipts has been made due to a calculation error that occurred when the income was received.
14. There have also been some changes in the way certain items of revenue expenditure have been disclosed in the accounts. The main items being:-
 - The disclosure of Court Services
 - The inclusion of PFI surplus in the Net cost of services analysis.
 - The inclusion of E-government expenditure in the Net cost of services analysis.
 - The disclosure of certain items of interest and investment income, one item of which has now been disclosed as an extraordinary item and note 14 on page 16 explains this further.
 - Additional disclosure has been provided to further explain the details of our transactions within pooled budget arrangements.
 - The disclosure of related party interests in the West Wiltshire Housing Association.
15. Members also requested details of transactions with related parties, and this is attached as Appendix 1.

Environmental Impact of the Proposal

16. None identified.

Risk Assessment

17. 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

18. The adjustments made to the accounts reflect changes in treatment of certain transactions.

Reasons for Proposals

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

Proposals

20. To note the amendments and approve the SOA for the year ended 31 March 2005.
21. To agree that the Chairman of the Final Accounts Committee may sign the Final Accounts for 2004-05.

MIKE PRINCE
County Treasurer

Report Author: Ian Burbidge

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

20/2006/FA&AC/IB