

**WILTSHIRE COUNCIL
AUDIT**

26 JUNE 2019

WILTSHIRE COUNCIL: STATEMENT OF ACCOUNTS 2018/2019

Purpose of Report

1. To present the Statement of Accounts in respect of the 2018/2019 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 2018/19 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 2019). At Wiltshire Council the Chief Finance Officer is the Director of Finance & Procurement.
5. The draft Statement of Accounts are included at appendix A. During the audit there was a delay in obtaining the final external valuation figures, including for County Farms. Therefore the final statement will be updated to reflect the final valuations.
6. The draft Statement of Accounts are now subject to external audit by the Council's appointed auditors (Deloitte) before the final set is brought to the Audit Committee for final approval on 24 July 2019. 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 constitution, in Wiltshire the Statement of Accounts are adopted by the Audit Committee.

Key Issues Arising

7. The draft accounts were signed by the Chief Finance Officer on 31 May 2019, in line with the revised statutory deadline. Deloitte commenced the year end audit on 3 June 2019. The draft accounts were taken to Cabinet on 11 June 2019.
8. The audited Statement of Accounts will be presented to Audit Committee on 24 July 2019, is ahead of the Statutory Deadline of 31 July.
9. The draft outturn on the General Revenue Fund reported to Cabinet on 11 June 2019 was an underspend of £0.357 million and an additional top up deposit of £1.800 million which was returned to General Revenue Fund Reserves. Further details of this were reported to Cabinet on 11 June 2019 in the Revenue Outturn Report.
10. The Housing Revenue Account had a final unaudited outturn underspend of £2.119 million. Additionally, there was a planned draw of £6.503 million from reserves to support the HRA new build programme. This results in an overall draw from reserves of £4.384 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 consistency. These adjustments mean that 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 £80.549 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
General Fund Services			
ASC Operations - Access & Reablement	51,935	2,201	54,136
Learning Disability & Mental Health	66,375	1,052	67,427
Commissioning	28,538	318	28,856
Public Health & Protection	1,515	530	2,045
Legal & Democratic	4,282	534	4,816
Family & Children Services	66,049	4,922	70,971
Education & Skills	(441)	24,047	23,606
Communities & Communications	6,833	3,828	10,661
Human Resources & Org Development	3,061	400	3,461
Economic Development & Planning	2,837	1,498	4,335
Highways & Transport	28,640	11,973	40,613
Waste & Environment	40,436	4,527	44,963
Housing & Commercial Development	14,479	13,291	27,770
Corporate Services & Digital	14,054	2,013	16,067
Finance	6,401	1,010	7,411
Corporate Directors	3,192	77	3,269
Corporate	(10,797)	19,833	9,036
Net Cost of Service General Fund	327,389	92,054	419,443
Housing Revenue Account (HRA)	4,384	(8,260)	(3,876)
Transfer to Earmarked Reserves	3,245	(3,245)	0
Net Cost of Service	335,018	80,549	415,567

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)	Net change for the Pension Adjustments (Note 13b)	Other Differences (Note 13c)	Total Adjustments
	£000	£000	£000	£000
General Fund Services				
ASC Operations - Access & Reablement	1,176	1,004	21	2,201
Learning Disability & Mental Health	346	667	39	1,052
Commissioning	1	297	20	318
Public Health & Protection	14	510	6	530
Legal & Democratic	65	464	5	534
Family & Children Services	2,361	2,532	29	4,922
Education & Skills	23,868	1,782	(1,603)	24,047
Communities & Communications	2,688	1,135	5	3,828
Human Resources & Org Development	36	359	5	400
Economic Development & Planning	743	750	5	1,498
Highways & Transport	11,291	674	8	11,973
Waste & Environment	4,196	397	(66)	4,527
Housing & Commercial Development	14,611	469	(1,789)	13,291
Corporate Services & Digital	1,047	950	16	2,013
Finance	279	735	(4)	1,010
Corporate Directors	0	70	7	77
Corporate	0	872	15,716	16,588
Housing Revenue Account (HRA)	463	264	(8,987)	(8,260)
Net Cost of Service	63,185	13,931	3,433	80,549

Overview and Scrutiny Engagement

14. There is a 30 working day public inspection period where interested parties may come in to inspect the accounts. This runs from 3 June 2019 to 12 July 2019.
15. The Wiltshire Pension Fund Statement of Accounts will be reported to the Pension Committee on 20 June 2019. Once approved, subject to the completion of the audit, the Wiltshire Pension Fund Financial Statements 2018/19 will be referred to the Audit Committee on 24 July 2019 as part of the Final 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 the Audit Committee receives and notes the draft Statement of Accounts for 2018/2019.

Reason for Recommendations

25. To ensure the Audit Committee are aware of the draft Statement of Accounts for 2018/2019.

BECKY HELLARD

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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 2018/2019