

**WILTSHIRE COUNCIL
AUDIT COMMITTEE**

28 SEPTEMBER 2011

WILTSHIRE COUNCIL: STATEMENT OF ACCOUNTS 2010/2011

Purpose of Report

1. To present the Statement of Accounts in respect of the 2010/2011 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 2003, and the 2011 Code of Practice on Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Background and Introduction

3. The Audit Commission Act 1998, 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 format of the Statement of Accounts has been amended this year in line with the new requirements of International Financial Reporting Standards (IFRS). A revised set of IFRS compliant accounting policies were approved by Audit Committee on 23 March 2011.
5. The regulations for the adoption of the Statement of Accounts have been amended since last year. There is no longer the requirement for Members to adopt the draft Statement of Accounts. There is still however, the requirement that the Statement of Accounts be certified by the Chief Finance Officer within three months of the financial year end (by 30 June 2011). The Statement of Accounts are then subject to external audit by the Council's appointed auditors (KPMG) before the final set is brought to Members for final approval by 30 September 2011.
6. This new adoption process ensures that there is external independent scrutiny of the figures in the Statement of Accounts before they are brought to Members. KPMG are still required to report on amendments from the Statement of Accounts submitted for audit to the final version presented to Members. This report is elsewhere on the agenda.
7. The Statement of Accounts is attached as Appendix A.

Key Issues Arising

8. 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 may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.
9. The overall surplus on the Comprehensive Income and Expenditure Statement is £132.860 million. This represents a deficit on the provision of services of £81.979 million and surpluses on revaluation of property, plant and equipment assets, and actuarial gains on pension assets of £214.839 million.
10. The deficit on the provision of services is adjusted by various technical adjustments between the accounting basis and funding basis under regulations, as well as taking into account transfers to/from earmarked reserves.
11. Once these technical adjustments have been undertaken, the return to reserves for the General Fund was £0.156 million. This is 0.05% above the revised net budget. Further details of this were reported to Cabinet on 14 June 2011 in the Revenue Outturn Report.

Risk Assessment

12. There are no direct risk implications associated with this report.

Equality and Diversity Impact of the Proposal

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

Environmental Impact of the Proposal

14. There are no direct environmental implications associated with this report.

Financial Implications

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

Legal Implications

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

Recommendations

17. That the Audit Committee receive the Statement of Accounts for 2010/2011.

18. The Audit Committee delegates the signing of the letter of the statement of Responsibilities for the Statement of Accounts to the Chairman of the Audit Committee.

Reason for Recommendations

19. The Audit Committee are aware of the Statement of Accounts for 2010/2011.

MICHAEL HUDSON
Chief Finance Officer

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

Appendices:

Appendix A Statement of Accounts

