

Regulatory and Audit Committee

Title:	DRAFT Statement of Accounts for the year ending 31 March 2014
Date:	25 June 2014
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Electoral divisions affected:	All

Summary

The draft unaudited Statement of Accounts for Buckinghamshire County Council and Pension Fund for the year ended 31 March 2014 is presented to the Regulatory and Audit Committee for information.

The Committee may wish to consider if, in their opinion, the appropriate accounting policies have been followed and whether there are concerns arising from the financial statements that need to be brought to the attention of the Council.

The Service Director (Finance and Commercial Services) as the Council's appointed Section 151 Officer will sign the unaudited Statement of Accounts by 30 June 2014, after which the audit of the Accounts can commence and it will be published on the Council's website.

The finalised Statement of Accounts is to be approved by the Chairman of the Regulatory and Audit Committee and the Section 151 Officer following the audit and consideration of the Auditors report by 30 September 2014.

Recommendation

To review the Statement of Accounts for Buckinghamshire County Council and Pension Fund for the year ended 31 March 2014 and to note the timing and requirements for completion and authorisation of the draft and final Statement of Accounts.



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Key issues:

Group Accounts

Buckinghamshire Care

Buckinghamshire Care (comprising Buckinghamshire Support Ltd and Buckinghamshire Care Ltd) is a wholly owned subsidiary that falls within the Council 'Group' for accounting purposes. The Companies commenced trading on 1 October 2013 and their results for the 6 months to 31 March 2014 show gross turnover of £4.2m (of which £3.9m is from their contract with the Council), net profit for the year of £168,337 (before tax and IAS 19 pension adjustments); total assets of £1.0m and net assets (before tax and pension liabilities) of £168,339.

The Council has not prepared Group Accounts on the grounds that there would be no material difference to the Single Entity Accounts. It is anticipated that Group Accounts will be produced in 2014/15 following a full-year of trading.

Buckinghamshire Learning Trust

On 1 August 2013, Buckinghamshire Learning Trust commenced trading. Services to the value of around £8.9m transferred to the Trust and the Council is represented on the Trust Board, primarily through Cllr Mike Appleyard, Deputy Leader and Cabinet Member for Education & Skills. Although Council members comprise approx. 20% of the Board, in line with the Charity Commission's rules around the independence of trustees, members of the Board must act solely in the interests of the Charity. The Trust is an independent charity and does not sit within the Council Group for accounting purposes.

Valuations of property, plant and equipment

Clarification has been provided in the 2013/14 Local Authority Code of Practice around the requirements for the revaluation of property, plant and equipment. The Code now requires that all items in a single class should be revalued simultaneously. The approach that we have adopted in the 2013/14 Accounts is to value 20% of items across all classes on a 5 year rolling programme. As a result the approach is non-compliant with the Code. We believe, however that the approach will not result in a material misstatement of asset values at the balance sheet date. We are currently reviewing our approach to valuations; however it is likely that we will also be non-compliant with the Code's requirements in 2014/15.

Energy from Waste

On 17 April 2013 the Council signed a 30-year contract for circa £315m with FCC Environment to build and operate an Energy from Waste (EfW) facility. Financial close was completed on 22 August 2013 and construction commenced on site on 11 September 2013. An asset under construction has been recognised in the Council's balance sheet of £36.057m based on the value of works as at 31 March 2014 certified by an independent certifier. A corresponding long-term 'PFI-type' liability has been recognised.

Supporting information to include the following if a decision is being requested:

Resource implications

The overall draft position on the General Fund reserve is a decrease of £8.566m to £31.115m. Earmarked reserves have increased to £121.365m. The General Fund balance is expected to reduce to an estimated £26m (8% of the Council's net budget requirement) over the next 4 years.

Legal implications

None

Other implications/issues

None

Feedback from consultation, Local Area Forums and Local Member views (if relevant)

None

Background Papers

None
