

## Regulatory and Audit Committee

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<b>Title:</b>	<b>DRAFT Statement of Accounts for the year ending 31 March 2019</b>
<b>Date:</b>	21 May 2019
<b>Author:</b>	Richard Ambrose – Director of Finance & Procurement
<b>Contact officer:</b>	Rachael Martinig - Financial Accountant Telephone (01296) 387783
<b>Electoral divisions affected:</b>	All

### Summary

The draft unaudited Statement of Accounts for Buckinghamshire County Council and Pension Fund for the year ended 31 March 2019 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 Director of Finance & Procurement as the Council's appointed Section 151 Officer will sign the unaudited Statement of Accounts following this meeting, after which the audit of the Accounts can commence and the draft Accounts will be published on the Council's website.

The finalised Statement of Accounts is due 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 at Regulatory and Audit Committee on 30 July 2019.

### Recommendation

**To review the Draft Statement of Accounts for Buckinghamshire County Council for the year ended 31 March 2019 and to note the timing and requirements for completion and authorisation of the draft and final Statement of Accounts.**



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## **Executive Summary**

### **Resource implications**

The overall outturn position for the Council shows an underspend of £0.227m before the use of £1.2m of General Fund reserves, which was approved by Council in May 2018 for the roads programme. This gives an overall impact on the General Fund of £0.973m, decreasing the General Fund reserve to £26.4m.

Earmarked reserves have decreased by £3.367m to £95.868m.

### **Annual report**

The Statement of Accounts contains information from our draft Annual report on our key achievements, working with our partners, for the last 12 months; bringing together our financial and performance reporting.

### **Investment Property**

This year we increased and diversified our property investment portfolio by investing £78.572m in commercial investment properties including Voyager Place and Globeside. The investment portfolio (including Agriculture Estates) decreased in fair value (FV) by £11.706m.

## **2017/18 Accounts Restatement**

### **Pension Liability**

Within the prior year Buckinghamshire County Council statement of accounts the Teachers' Pension Scheme has been accounted for as a defined contribution scheme. The actuary is now able to produce an estimate of the Council's liability and therefore we are obligated to account for the Teachers' Pension Scheme as a defined benefit scheme. This has necessitated a restatement of prior year figures within the 2018/19 statement of accounts for comparison purposes to aid the users of the Council's statement of accounts.

This has resulted in an impact to the CIES of £10.518m, changing the Total Comprehensive Income and Expenditure Statement from £71.787m to £82.841m. This has also resulted in the Pensions Liability within the Balance Sheet being understated by £50.298m as at 1<sup>st</sup> April 2017 and £39.244 as at 31<sup>st</sup> March 2018. This has also had an opposite effect on the Unusable Reserves by the same amounts, therefore having a net nil effect on the Balance Sheet. These movements have also affected some of the notes throughout the accounts resulting in the 2017/18 figures being restated

### **Internal Recharges**

Within the Council's management accounting there are internal recharges between operating segments and historically these have been included within the Comprehensive Income and Expenditure Statement (CIES) in the statement of accounts. CIPFA code of practice on local authority accounting has been amended for 2018/19 to state that internal recharges are no longer permitted between segments in the Comprehensive Income and Expenditure Statement.

This change has necessitated the restatement of the 2017/18 Comprehensive Income and Expenditure Statement.

As these are internal recharges there is a net nil effect on the Cost of Service within the CIES. However there is a material impact to the segments within the CIES. The two main segments that are impacted are Resources, increasing the expenditure by £11.548m and Education and Skills decreasing the expenditure by £7.077m.

**Legal implications**

The draft accounts need to be presented to the Regulatory & Audit Committee by the end of May and then audited accounts need to be approved by the end of July.

**Other implications/issues**

None

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

None

**Background Papers**

None