

THREE RIVERS & WATFORD SHARED SERVICES JOINT COMMITTEE

Date of meeting: 3 June 2013

PART A

AGENDA ITEM

9

Title: DRAFT STATEMENT OF ACCOUNTS FOR 2012/13

Report of: Head of Finance (Shared Services)

1. **SUMMARY**

1.1 This report allows the Committee to consider the Draft Statement of Accounts for 2012/13.

2. **RECOMMENDATIONS**

2.1 That the Committee seeks any clarification it needs concerning the Draft Statement of Accounts for 2012/13.

2.2 That the Committee confirms that it is satisfied that the accounting policies adopted are the most appropriate.

Contact Officer:

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Report approved by:

David Gardner – Director of Corporate Resources & Governance – Three Rivers D.C.

3. DETAILED PROPOSAL

Introduction

- 3.1 The Accounts and Audit (England) Regulations 2011 introduced a more sensible approach to auditing and approving the annual statement of accounts. Rather than the Committee approving the Statement subject to audit prior to 30 June, and receiving the auditor's report before the end of September, with the possibility of having to then re-approve the Statement, the regulations now state that whilst the accounts still have to be completed by 30 June, they are not approved by members before they have been audited. This allows amendments to be made and the auditor's report to be taken into account before approval.
- 3.2 The Auditor's 'Report to those charged with Governance' will be considered by the Committee on 23 September 2013.
- 3.3 The Council's Draft Statement of Accounts for 2012/2013 is attached at Appendix 1.
- 3.4 Financial Reporting Standard 18 requires the Committee to confirm that it is satisfied that the accounting policies adopted are the most appropriate.

Key Issues and Interpretation of the Accounting Statements

- 3.7 The purpose of the Statement of Accounts is to give interested parties an understanding of the Joint Committee's financial position. It also provides an opportunity to compare how the shared services performed financially against the original plan published when setting the budgets in February 2012. Members are referred to the Foreword to the Statement of Accounts.
- 3.8 The Financial Statements have been prepared under International Financial Reporting Standards (IFRS), a statutory accounting framework which has replaced the United Kingdom Generally Accepted Accounting Principles (UK GAAP).

Summary of Financial Position

- 3.9 The table below compares the original estimates for each of the four shared services with the outturn. The total variance between net expenditure and the original budget resulted predominantly from the employment of additional benefit assessors to address the increased workload resulting from the economic climate.

Service	2012/13 Original Estimate £000s	2012/13 Out-turn £000s	2012/13 Variance £000s
ICT	1,391	1,436	45
Finance	1,520	1,420	(100)
Human Resources	693	719	26
Revenues and Benefits	2,644	3,161	517
Total	6,248	6,736	488

- 3.10 Further analysis and the effect on recharges to both councils is contained in the Explanatory Foreword to the Statement of Accounts shown in Appendix 1

4. IMPLICATIONS

4.1 Policy

- 4.1.1 The recommendations in this report are consistent with the policies of Three Rivers District Council, Watford Borough Council and the Joint Committee.

4.2 Financial

- 4.2.1 Contained in the Statement of Accounts.

4.3 Legal Issues (Monitoring Officer)

- 4.3.1 None specific to this report.

4.4 **Risk Management and Health & Safety**

4.4.1 There are no risks associated with the decision members are being asked to take.

4.5 **Equalities**

4.5.1 *Relevance Test*

Has a relevance test been completed for Equality Impact?

No

There is no proposed change to the shared services.

4.6 **Staffing, Accommodation, Community Safety, Sustainability & Environment, Communications & Website and Customer Services**

4.6.1 None Specific

Appendices

1. Statement of Accounts 2012/13

Background Papers

The Accounts and Audit (England) Regulations 2011