

Joint Committee
29th September 2011

WORCESTERSHIRE REGULATORY SERVICES STATEMENT OF ACCOUNTS
2010/11

Recommendation

It is recommended that the Joint Committee:

- approve the Statement of Accounts 2010/11.

**Contribution to
Priorities**

The robust financial management arrangements ensure the priorities of the service can be delivered effectively.

Introduction/Summary

This report enables Members to consider the Statement of Accounts for Worcestershire Regulatory Services for the financial year 2010/11.

Background

The Statement of Accounts was completed and approved by the S151 Officer from Bromsgrove District Council in June 2011 and has since been subjected to External Audit Review and consideration .

2010/11 accounts reflect the position from June 2010- March 2011 for the new Regulatory Services and therefore the first set of accounts that has to be approved by the Joint Committee.

2010/11 is also the first year that the accounts have to be prepared in compliance with the International Financial Reporting Standards which have resulted in a number of different core financial statements now included in the accounts.

During the External Audit a significant number of issues were raised and discussed relating to the treatment of the joint service accounts. These issues have all been resolved within the period of the Audit and all amendments proposed by the Audit Commission have been agreed by officers and included in the Accounts..

Report

The Statement of Accounts consists of the following:

1. The Core Financial Statements

- 1.1 **Movement in Reserves Statement** shows the movement in the year on the different reserves held

by the Shared Service, analysed into 'usable reserves' (those that can be applied to fund expenditure) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the Shared Service, more details of which are shown in the Comprehensive Income and Expenditure Statement.

1.2 The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

1.3 The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Shared Service. The net assets of the Shared Service (assets less liabilities) are matched by the reserves held by the Shared Service. Reserves are reported in two categories, the first being usable reserves ie those that may be used to provide services, the second category of reserves are those that the shared service is not able to use to provide services. This category of reserves includes those such as the pension fund reserve.

1.4 The Cash Flow Statement shows the changes in cash and cash equivalents of the shared service during the reporting period. The statement shows how the Shared Service generates and uses cash and cash equivalents by classifying Cash flows as Operating, Investing and Financing activities.

1.5 Notes to the core financial statements provide further detailed information.

2. The Statement of Responsibilities, setting out the general responsibilities of both the Joint Committee and the Executive Director of Finance and Corporate Resources.

3. The Independent Auditor's Report (following completion of the Audit).

A copy of the Statement of Accounts is attached – Appendix 1.

Financial Implications

None other than those stated in the report

Sustainability

None as a direct result of this report

Contact Points

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Background Papers

Statement of Accounts
Annual Governance Report (Audit Commission)