

AUDIT & GOVERNANCE COMMITTEE – 25 July 2018

ADDENDA TO STATEMENT OF ACCOUNTS 2017/18

Report by the Director of Finance

Introduction

- Following the publication of the draft Statement of Accounts for the committee a number of small changes have been agreed with the Auditors. These changes will be incorporated into the final version of the Accounts that get signed and published on the website. A revision is also required to Recommendation (iii). The changes are detailed below:

Statement of Accounts

- Minor amendments have been made to the Narrative Report:
 - (page 11) “Reducing public funds alongside a growing demand for services”. This should read that OCC has made more than £350m savings in the last seven years (not £330m).
 - (page 23) paragraph 5 now includes a reference to Reserves Note 44 (for further details)
 - (page 30) Outlook - paragraph 4, first sentence now reads: “the risks in the budget largely relate to the demand led budgets”
- An additional paragraph has been added to Note 1 Significant Accounting policies - Debt Redemption (page 52):

“This policy has been changed from a reducing balance basis (applied prior to 1 April 2017) resulting in a change to the profile of the charge. The total amount of MRP charged against revenue remains the same but this change reduces the MRP charges in the short-medium term and increase the charges made in the longer term.”

- Note 8 – Pooled Budget Disclosure Note (page 65) has been corrected to show the Pool Gross Income and Council’s net Contribution after the underspend has been distributed through the risk share for the Better Care Pool:

2017/18	Purpose	Lead	Pool Gross income £000	Pool Gross Expenditure £000	Council's net Contribution £000
<u>Pooled budgets with Oxfordshire Clinical Commissioning Group (OCCG)</u>					
Better Care Fund	Commissioning service provision for residential, nursing and continuing care for older people, and equipment	County Council	178,520	178,520	76,449
Adults with Care and Support Needs	Commissioning both care and support and residential/supported living placements for people with learning disabilities and commissioning mental health services	County Council	145,794	145,794	83,007
<u>Pooled budget with Oxford Health NHS Foundation Trust (OHFT)</u>					
Mental Health Provider	Providing mental health services	OHFT	11,381	11,381	2,390
Total			335,695	335,695	161,846

5. Note 22 – Movement in value of Property, Plant and Equipment (page 94) has been corrected as described in paragraph 10 of the report by the Director of Finance on the Statement of Accounts. This is included at appendix 1.
6. A sentence has been added to Pension Fund Note 23 Additional Voluntary Contributions, page 162:

“The Administering Authority does not handle these monies. Instead, if employees decide to pay AVCs, their employer (the member body) sends them to Prudential.”
7. A new note to the Pension Fund Accounts, Note 29 Material Post Balance Sheet Events, has been added at page 165. The full text is as follows:

“There are no events after the Balance Sheet date that need to be reported.”
8. An addition to the Annual Governance Statement has been agreed to reflect the assurance arrangements at the Integrated Business Centre carried out by Southern Internal Audit Partnership on behalf of the Council. This has been inserted between paragraphs 26 and 27 of the Annual Governance Statement which was agreed by the Audit and Governance Committee on 25 April 2018. This is on page 197 of the Statement of Accounts.

“As part of governance arrangements developed when Oxfordshire County Council joined the Hampshire Integrated Business Centre (IBC) Partnership in July 2015 it was agreed that the Southern Internal Audit Partnership, (SIAP), would provide an annual assurance statement to Oxfordshire County Council on the adequacy and effectiveness of the framework of governance, risk management and control from the work carried out by the IBC. The Chief Internal Auditor takes account of the assurance obtained from SIAP, when forming the overall assurance opinion. For 2017/18 The statement of assurance report received from SIAP concluded that the framework of governance, risk management and management control is ‘Adequate’ and audit testing has demonstrated controls to be working in practice.”
9. Duplicate table has been removed from Trust Funds where Council operates as Trustee on page 204.

RECOMMENDATIONS

Recommendation (iii) is replaced with a new recommendation:

- (iii) **Agree the addition to the Annual Governance Statement as described in paragraph 8 of the Addenda to the Statement of Accounts 2017/18.**

LORNA BAXTER

Director of Finance

Background Papers: Nil.

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July 2018

22. Movement in the value of Property, Plant and Equipment

2017/18	Other Land and Buildings £'000	Vehicles, Plant, Furniture & Equipment £'000	Infrastructure Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total Property, Plant and Equipment £'000	Service Concession assets included in PPE £'000
Cost or valuation as at 1 April	580,755	113,296	562,856	2,904	40,995	1,300,806	33,368
Additions	8,681	1,969	31,672		17,672	59,994	-549
Donations		22				22	
Revaluation increases/(decreases) recognised in the Revaluation Reserve	29,178			-497		28,681	-292
Revaluation increases/(decreases) recognised in the Surplus/Deficit on Provision of Services	-1,894			431		-1,463	-1,093
Derecognition - disposals	-2,191	-906				-3,097	
Derecognition - other	-25,267	-6,326			-18,560	-50,153	-578
Assets reclassified to / from Held for Sale							
Assets reclassified to / from Investment Properties	-366					-366	
Assets reclassified as intangible assets							
Transfers	-4,704	5,421	10,423	646	-11,786		
Other movements in cost or valuation					-3	-3	
Cost or Valuation as at 31 March	584,192	113,476	604,951	3,484	28,318	1,334,421	30,856
Depreciation and Impairment as at 1 April	-2,700	-20,031	-153,203	3		-175,931	-36
Depreciation charge	-8,129	-6,726	-17,276	-20		-32,151	-382
Depreciation and impairment written out to the Revaluation Reserve	10,934			6		10,940	246
Depreciation and impairment written out to the Surplus/Deficit on Provision of Services	1,017			13		1,030	173