

AGENDA ITEM 6

CENTRAL SCOTLAND VALUATION JOINT BOARD

Subject: DRAFT FINAL ACCOUNTS as at 31 MARCH 2012
Meeting: CENTRAL SCOTLAND VALUATION JOINT BOARD
Date: 22nd June 2012
Author: TREASURER

1. INTRODUCTION

- 1.1 The Board is required by law to prepare a statement of accounts in accordance with 'proper practices' which set out its financial position at the end of each financial year. This is defined as meaning compliance with the terms of the Code of Practice in Local Authority Accounting in the United Kingdom prepared by CIPFA/ LASAAC Joint Committee.
- 1.2 The Code specifies the principles of accounting required to give a 'true and fair' view of the financial position and transactions of the Board, following completion of the audit.
- 1.3 This is the second year that the Code is based on International Financial Reporting Standards within a framework of the Government Financial Reporting Manual (FReM).
- 1.4 The Board is legally obliged to complete the draft accounts and submit them by 30th June to the Controller of Audit so that they can be scrutinised by the appointed external auditor for accuracy and completeness. The Governance Statement will be signed once the Convener has been appointed.
- 1.2 A final audited set of accounts, and the auditor's report, will be presented to the Joint Board at the next appropriate meeting.

2. BACKGROUND

- 2.1 The new code for 2010/11 introduced full implementation of International Financial Reporting Standards. The Code is now based on approved accounting standards issued by the International Financial Reporting Interpretations Committee. It also draws on approved accounting standards issued by the International Public Sector Accounting Standards Board and the UK Accounting Standards Board where these provide additional Guidance.
- 2.2 These changes aim to improve the comparability of the Board's accounts with the rest of the public sector and over time with the private sector. This results in more detailed financial statements with the aim to provide greater transparency about the key issues affecting the Board's finances.

2.3 The main financial statements comprise a :

- Movement in Reserves Statement
- Comprehensive Income and Expenditure Account
- Balance Sheet
- Cash Flow Statement

2.4 The draft deficit on the provision of services reported in the Comprehensive Income and Expenditure Account is £95k. However this includes £230k of accounting adjustments which require to be reversed out in the Movement in Reserves Statement to create a surplus of £135k for the year.

2.5 The useable surplus brought forward from previous years is £297k. The surplus achieved in the year is £135k. The surplus carried forward to future years is therefore £432K. The balance of £432k has been retained as a surplus attributable to constituent authorities in the general fund usable reserve. This is being retained until the service reconfiguration is complete when the level will be reviewed.

2.6 A summary of the main financial highlights of the year is contained in my report on pages 5 and 6 of the draft accounts.

2.7 A statement recording the remuneration paid to senior employees is also included within the accounts. This year in compliance with the 2011/12 Code of Practice we have included within this details on exit packages paid by the board. It is included at the start of the statements in demonstration of the Board's commitment to openness and transparency.

3. CONCLUSIONS

3.1 The Valuation Joint Board has outturned a surplus of £135k which when added to previous surpluses results in a net surplus of £432k now being held.

4. RECOMMENDATIONS

4.1 The Joint Board is asked to note the 2011/12 Draft Statement of Accounts and agree to their submission to the Controller of Audit.

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Treasurer

22nd June 2012

LIST OF BACKGROUND PAPERS

1. Annual Year End Working Papers.

Any person wishing to inspect the above background papers should contact the Treasurer, Nikki Bridle, on Alloa (01259) 452030.