

COMMITTEE: GRAMPIAN JOINT POLICE BOARD

DATE: 4 NOVEMBER 2011

TITLE OF REPORT: ANNUAL STATEMENT OF ACCOUNTS 2010-11

1. PURPOSE OF REPORT

- 1.1 To present to Members of the Grampian Joint Police Board for its consideration, a copy of the audited and signed set of Annual Statement of Accounts for the financial year 2010-11.

2. RECOMMENDATION(S)

- 2.1 Members are asked to note the contents of the report.

3. FINANCIAL IMPLICATIONS

- 3.1 The Annual Statement of Accounts provides an overview of the financial performance of the Force during 2010-11 and the financial position at the 31 March 2011. These can be compared to the corresponding totals for 2009-10 and the balances at 31 March 2010.

4. SERVICE & COMMUNITY IMPACT

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5. OTHER IMPLICATIONS

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6. REPORT

- 6.1 The Annual Statement of Accounts for 2010-11 is appended to the report and has been prepared in accordance with the accounting requirements included within International Financial Reporting Standards (IFRS). In order to provide comparative figures, the Force has re-stated those amounts and balances which appeared in the 2009-10 Annual Statement of Accounts, albeit using the new accounting requirements of IFRS.

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- 6.2 In the 2007 Budget, the Chancellor announced that the UK public sector would adopt IFRS, as this was seen as best practice and allowed for international comparisons to be made. Although IFRS has been developed for the private sector, the impact of the vast majority of transactions is the same for all sectors. However, in some instances, there are statutory instruments that require divergence from generally accepted accounting practices.
- 6.3 A copy of the Draft Annual Statement of Accounts 2010-11 was presented to Members of the Board on 1 July 2011, however it was also circulated to Members and Audit Scotland prior to that date in order to comply with statutory requirements.
- 6.4 The Force's external auditors (Henderson Loggie) reviewed the Draft Annual Statement of Accounts 2010-11 and presented their findings to the meeting of the Stewardship Sub-Committee on 19 September 2011. The external auditors signed the accounts on 31 August 2011 and provided an unqualified opinion. In their view, the accounts had been prepared in accordance with statutory requirements, adhered to professional accounting standards and gave a true and fair view of the Force's financial state of affairs. A copy of their report commences on page 19 of the appended Annual Statement of Accounts 2010-11.
- 6.5 In finalising the accounts, the Force brought to the attention of the external auditors, an adjustment of £168,000 that was required to the level of funding accrued at the year end for Police Officer pensions. This adjustment reduced the Force's overall underspend from £2.316m to £2.148m.
- 6.6 The Force also agreed to a recommendation made by the auditors that the net book value of two properties held for sale should be re-stated to their carrying value rather than their market value. This adjustment did not have any impact upon the Force's reserves.
- 6.7 The aforementioned adjustments were the only two changes made to the Draft Annual Statement of Accounts 2010-11.
- 6.8 An overview of the Force's financial performance and position at the year end is set out within the Explanatory Foreword by the Treasurer, on page 3 of the Annual Statement of Accounts. This also includes an explanation as to the different financial statements and their purpose (page 4).
- 6.9 In summary, the Force generated a total budget saving of £2.148m against the approved net revenue expenditure budget of £115.698m. The final out-turn figures in comparison to the respective Budget Categories are included within the Explanatory Foreword by the Treasurer (pages 5 to 9), with a comprehensive breakdown shown within the Notes to the Accounts on pages 71 and 72.

6.10 Reserves

- 6.11 At the start of year, the Force had a balance on the General Fund of £4.248m, although £2.505m of this was earmarked for transfer to the new Police Pension Account. After the transfer, this left a balance of £1.743m.
- 6.12 With the total underspend of £2.148m during 2010-11, the balance on the General Fund increased to £3.891m and this balance has been carried forward into 2011-12. A summary of the movement in the balance on the Force's General Fund during 2010-11 is shown on page 6, with further explanation provided on page 8.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

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Chief Constable
25 October 2011

Treasurer