

ABERDEEN CITY COUNCIL

COMMITTEE:	Council
DATE:	26 June 2013
DIRECTOR:	Stewart Carruth
TITLE OF REPORT:	Grampian Joint Police Board Draft Statement of Accounts 2012/13
REPORT NUMBER:	CG/13/079

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to provide to Elected Members a copy of the Grampian Joint Police Board draft 2012/13 Statement of Accounts, which are subject to audit.
- 1.2 Following the abolition of the Joint Board at midnight on 31 March 2013 the Council has taken over the accounting and reporting obligation, being the local authority where the Treasurer is based (the accounting authority).
- 1.3 By statute a set of draft accounts must be presented to Audit Scotland by 30 June and for Elected Members to receive a copy of these draft accounts by this due date.

2. RECOMMENDATION(S)

- 2.1 It is recommended that the Council:
 - a) note the 2012/13 draft Statement of Accounts for Grampian Joint Police Board, and financial performance of the Board contained therein, which will be submitted to Audit Scotland by 30 June 2013; and
 - b) note that the audited Statement of Accounts will be presented to the Audit and Risk Committee, along with the external auditor's Report to Members in the Autumn, and will be presented to a Council meeting thereafter.

3. FINANCIAL IMPLICATIONS

- 3.1 Operationally Grampian Police (the Force) ended the year with reserves that cannot be carried forward due to its abolition. Therefore the reserves have been redistributed to the constituent local authorities and a proportion of these will be repayable to the Scottish Government.

- 3.2 The impact for Aberdeen City Council is that a total of £4.8 million has been returned and the mechanism for the Scottish Government receiving its share of those funds will be to reduce 2013/14 funding. The Council will restore the value from its own General Fund earmarked reserves, which have been increased in value due to the transfer.

4. OTHER IMPLICATIONS

- 4.1 As the accounting authority the Head of Finance will be responsible for responding to the external audit process and other statutory reporting in connection with 2012/13 financial year.

5. REPORT

- 5.1.1 There is a statutory requirement that an abstract of the accounts for each financial year be submitted to the Controller of Audit not later than 30 June in the next financial year.
- 5.1.2 In effect this means that the draft Statement of Accounts for 2012/13, which are prepared in accordance with the relevant Accounting Codes of Practice, require to be submitted by 30 June 2013 to Audit Scotland.
- 5.1.3 There is also a requirement that the draft Statement of Accounts be provided to Elected Members by 30 June each year.
- 5.1.4 The Grampian Joint Police Board was abolished at midnight on 31 March 2013 by the repeal of the Police (Scotland) Act 1967. Accounting and reporting obligations have transferred to the Council, the local authority where the Treasurer is based (the accounting authority).

5.2. Link between Statement of Accounts & General Fund Position

- 5.2.1 The Statement of Accounts has been prepared in accordance with the International Financial Reporting Standard (IFRS) based *Code of Practice on Local Authority Accounting in the United Kingdom 2012/13 (the Code)*, The Statement of Accounts are also based on the *Service Reporting Code of Practice 2012/13 (SeRCOP)*.
- 5.2.2 In reading the draft Statement of Accounts Elected Members are asked to note the difference between the figures shown in the Comprehensive Income and Expenditure Statement and the actual performance of the Force against which it can be measured, which is presented in the Movement in Reserves Statement.
- 5.2.3 The figure to be aware of is the one described in the Movement in Reserves Statement as “(Increase) / Decrease in the Year”, which is the actual movement on the individual Funds.

- 5.2.4 The importance of the difference cannot be over emphasised, the reason being that the Comprehensive Income and Expenditure Statement shows the financial performance for the year, measured in terms of the resources consumed and generated over the last 12 months. It takes account of the requirements of IFRS based accounting standards.
- 5.2.5 The impact of compliance with accounting standards is that many accounting entries are made which remove the obvious linkage between the figures presented in the Comprehensive Income and Expenditure Statement and the way in which Grampian Police is required to account for itself within a framework of its funding.
- 5.2.6 The main differences are that in the Comprehensive Income and Expenditure Statement capital investment is accounted for as fixed assets are consumed, rather than as investment is financed; and retirement benefits are charged as future benefits are earned, rather than as amounts become payable to pension funds and pensioners.
- 5.2.7 The performance of the Force is detailed in the Explanatory Foreword and shows that operationally it underspent by £1.4 million, on a budget of £121 million.
- 5.2.8 Savings were most significant in employee costs where additional officers retired during the year, more than had been anticipated. Further savings were made through the management of police officer overtime.
- 5.2.9 The abolition of the Force meant that reserves could not be carried forward and a total value of £9.765 million will be repaid to Aberdeenshire Council, Moray Council and this Council to facilitate the redistribution of those reserves to the Scottish Government, with a proportion being retained by each Council, based on the requisitions.
- 5.2.10 Following submission of the draft Statement of Accounts, upon being so requested by Audit Scotland, a notice of inspection will be placed in the press giving at least 14 days' public notice of the commencement of the period during which the accounts and other documents will be available for public inspection. The accounts and other documents require to be made available for a period of not less than 15 full days during ordinary business hours.
- 5.2.11 It is anticipated as in previous years, following the required timetable and notices, that the draft accounts will be available for public inspection in late July/early August.

5.2.12 An analysis of the accounts will be presented to the Audit and Risk Committee and Council once the audit process has been completed, along with the external auditor's report. The audit process is scheduled for completion by 30 September 2013.

6. IMPACT

6.1 The redistribution of reserves will provide the National Police of Scotland with opening balances from which to continue to deliver policing services.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

Grampian Joint Police Board Draft Statement of Accounts for Financial Year 2012/13.