

To: Joint Audit Committee

Date: 12th June 2014

By: Paul Bundy, Head of Finance

Title: Progress in producing the Annual Governance Statements and Financial Accounts for 2013/14

Purpose of Report/Issue:

To provide members with an update from the Financial Accounting Team on progress in producing the Annual Governance Statement and Financial Accounts for 2013/14 for both the PCC and Chief Constable.

Summary:

The Financial Accounting Team has made good progress with producing the 2013/14 Statement of Accounts, draft unaudited versions will be available for the Joint Audit Committee to review on the 30th June 2014.

Recommendation(s) -

Committee members are asked to note this report

Equalities Implications –

There are no equality issues arising from this report

Risk-

There are no risks identified.

Attachments – n/a

Background papers - n/a

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1. Key Dates

The Statement of Accounts for the PCC and the Chief Constable are being prepared in accordance with the following deadlines.

Date	Activity
30 th June 2014	Draft unaudited accounts signed and published on the PCC and Surrey Police Website <u>PCC & Group PCC Accounts</u> PCC signs Annual Governance Statement CFO signs Explanatory Foreword and Statement of Responsibilities <u>Chief Constable Accounts</u> Chief Constable signs Annual Governance Statement CFO signs Explanatory Foreword and Statement of Responsibilities
30 th June 2014	External Audit commences for 4 weeks
30 th September 2014	Final accounts signed and published on the PCC and Surrey Police Website <u>PCC & Group PCC Accounts</u> PCC: signs Annual Governance Statement and Statement of Responsibilities CFO: signs Explanatory Foreword and Statement of Responsibilities Audit Audit Director: signs Audit Opinion <u>Chief Constable Accounts</u> Chief Constable: signs Annual Governance Statement and Statement of Responsibilities CFO: signs Explanatory Foreword and Statement of Responsibilities Audit Director: signs Audit Opinion

2. 2013/14 Changes

There have been a few minor changes to the CIPFA Code to clarify requirements; the only change of significance was to IAS 19 Employee Benefits, which now requires 'Expected Return on Assets' to be replaced with an equivalent interest figure based on an average AA Bond rate.

Amendments to The Police Reform and Social Responsibility Act 2011 came into force on the 31st March 2014 allowing the Chief Constable to apply local government regulations as a local authority as per the Local Government Act 2003.

3. Outstanding Work

The majority of financial transactions have now been accounted for with the exception of the following where the Financial Accounting Team is following up outstanding information:

- Holiday Pay Accrual – The annual leave system changed during the year, ICT are producing a report to show annual leave carried forward.
- Council Tax Debtors and Creditors – The borough and district councils are required to supply the council tax collection fund year end position.
- Senior Officer Remuneration – P11d information is required to complete this disclosure.

There are no issues with obtaining the above information and the Financial Accounting Team are on track to produce the Statement of Accounts prior to the above deadlines.

4. Statement of Accounts Document

The Statement of Accounts documents are in progress, the Financial Accounting Team has reviewed the layout and content having considered general guidance from CIPFA.

The materiality of the notes in the accounts are being considered and will be excluded where such notes are considered not material and do not aid the reader, for example; a note on heritage assets has been included in prior years when we do not hold any such assets on the balance sheet; and the inventory note now only includes uniform which is of low value.

The order and presentation of the notes have been reviewed to ensure the flow of information aids the reader. For example all employee notes are together, as are all capital notes, which are also presented with property plant and equipment.

The Annual Governance Statements for both the PCC and the Chief Constable are in progress and will be finalised in accordance with the key dates above.