

DUNBARTONSHIRE and ARGYLL & BUTE VALUATION JOINT BOARD

Report by Treasurer

Valuation Joint Board - 14 June 2013

Subject: Draft Annual Report and Final Accounts – Year Ending 31 March 2013.

1. Purpose

- 1.1** The purpose of this report is to present the draft annual report and financial statements for the year ending 31 March 2013.

2. Background

- 2.1** In agreement with Audit Scotland the draft annual report and financial statements should be reported for Board consideration prior to submission to the Accounts Commission by 30 June each year.
- 2.3** A Statement on the System of Internal Financial Control is included at page 26. This statement provides assurance that the Joint Board has in place a sound system of internal financial control.
- 2.4** Members' attention is drawn to the Statement of Responsibilities on page 25.

3. Main Issues

- 3.1** The draft accounts have been submitted to Audit Scotland and are appended to this report.
- 3.2** A Balance & Reserve Policy was approved by the Board at its meeting in November 2012. The Board's Prudential Reserve Policy is to retain a prudential target of 2% of net expenditure (£54,389) or £100,000 which ever is higher.
- 3.3** As at 31 March 2013 the Board held total usable reserves of £732,331, (of which £77,488 are unapplied capital reserves), with the remaining balance comprising revenue reserves of £654,843. Once the earmarked balances (£111,528) have been accounted for, this leaves £543,315 of general reserves for future use (including £100,000 prudential reserve above).
- 3.4** As the current level of unearmarked reserves held by the Board are far in excess of the prudential target, it is felt that a total of £293,315 of the unearmarked revenue reserves should be returned to the three local

authorities on the basis of their current level of contribution, leaving an unearmarked reserve of £250,000 held by the Board:

	%	£
Argyll and Bute Council	48.10	141,085
West Dunbartonshire Council	26.95	79,048
East Dunbartonshire Council	24.95	73,182

- 3.5** The foreword on pages 20 and 21 summarises the financial position of the Joint Board. The Joint Board's 2012/13 budget was constructed to break even using £56,690 of balances. The Valuation Joint Board completed the year with a further contribution to the funds brought forward of £156,707 and did not need to access reserves. This contribution, together with the unused planned use of £56,690 results in an overall underspend against budget of £213,397.

4. Conclusions and Recommendations

- 4.1 It is recommended that the Valuation Joint Board reduce the level of unearmarked general reserves to £250,000 and return the total sum of £293,315 to the three constituent authorities on the allocation basis noted in 3.3 above.
- 4.2 Members are requested to note the financial statements for the year to 31 March 2013.

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Stephen West
Treasurer
Date: 5 June 2013

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Appendix: **Annual Report and Financial Statements**