

## 3.4 PRESENTATION OF FINANCIAL STATEMENTS

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### 3.4.4 Disclosure Requirements

**3.4.4.1** Authorities shall disclose the information in the financial statements as required by this section. Having regard to paragraph 3.4.2.25 of this section of the Code, authorities shall disclose the notes as set out in the other sections of the Code in addition to the following:

- 1) The nature of any acquired or discontinued operations and details of any outstanding liabilities in respect of discontinued operations.
- 2) The nature, turnover, and surpluses/deficits of any significant trading operation and for Scottish local authorities the cumulative surplus or deficit for the current year and two preceding financial years in accordance with the requirements of the Local Government in Scotland Act 2003.
- 3) The nature and amount of any significant agency income and expenditure.
- 4) A brief explanation of the nature of any scheme under the Transport Act 2000 or Transport (Scotland) Act 2001, including the gross income and expenditure of the scheme, and the net proceeds of the scheme (including for joint schemes the apportionment of such proceeds).
- 5) Sufficient information on any partnership schemes under s75 of the National Health Service Act 2006 and under the Community Care and Health (Scotland) Act 2002 to allow for the understanding of the authority's financial affairs. As a minimum this includes the purpose of the partnership, the identities of partner bodies, the gross income and expenditure of the partnership and the authority's contribution.
- 6) The totals of members' allowances (and expenses) paid in the year. In Scotland all elements of members remuneration and reimbursement of actual expenditure under the heads of salaries, allowances and expenses.
- 7)
  - a) Number of employees and police officers whose remuneration in the year was greater or equal to £50,000, grouped in rising bands of £5,000, and/or other disclosures specified in regulations or statutory guidance (~~Scotland and~~ Northern Ireland).
  - b) Number of exit packages agreed (grouped in rising bands of £20,000 up to £100,000, and bands of £50,000 thereafter), analysed between compulsory redundancies and other departures. Authorities shall also disclose the total cost of packages agreed in each band. Bands shall be combined where this is necessary to ensure that individual exit packages cannot be identified (except where disclosure of payments to the individuals is required elsewhere under regulations). ~~It is anticipated that the Scottish Government~~

~~will regulate to require disclosure of senior officers' remuneration. If this is not the case, disclosure of exit packages will need to be consistent with the terms of any relevant compromise/confidentiality agreements.~~ Exit packages include compulsory and voluntary redundancy costs, pension contributions in respect of added years, ex-gratia payments and other departure costs (England, Wales, Scotland and Northern Ireland). Guidance applicable to Scottish local authorities sets out that the disclosure of exit packages should be included in the Remuneration Report.

- 8) The following amounts for the year:
  - a) Fees payable to auditors appointed by the Audit Commission or the Auditor General for Wales with regard to external audit services carried out by the appointed auditor under the Audit Commission's *Code of Audit Practice* or Auditor General for Wales' *Code of Audit and Inspection Practice* in accordance with s5 of the Audit Commission Act 1998 or s16 of the Public Audit (Wales) Act 2004.
  - b) Fees payable to auditors appointed by the Audit Commission or the Auditor General for Wales in respect of statutory inspection under s10 of the Local Government Act 1999.
  - c) Fees payable to auditors appointed by the Audit Commission or the Auditor General for Wales for the certification of grant claims and returns by the appointed auditor under s28 of the Audit Commission Act 1998 or s2 of the Public Audit (Wales) Act 2004.
  - d) Fees payable to Audit Scotland in respect of external audit services undertaken in accordance with the *Code of Audit Practice*.
  - e) In Northern Ireland, the amount payable to the Comptroller and Auditor General for Northern Ireland in respect of external audit services.
  - f) Fees payable in respect of any other services provided by the appointed auditor over and above the duties described in notes 8 a) to e) above.
- 9) In Wales, the following information is also to be disclosed:
  - a) The total non-domestic rateable value at the year-end and the national non-domestic rate multiplier for the year.
  - b) The calculation of the council tax base, ie the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of band D dwellings.
  - c) The name of each authority which made a significant precept or demand on the account and the amount included for each authority.
- 10) In Northern Ireland, disclosure of details of the rates receivable by the authority (ie rate in the pound for domestic and non-domestic properties).
- 11) A breakdown of the movement of the amounts shown in the Movement in

Reserves Statement that are adjustments between accounting basis and funding basis under regulations to be debited or credited to the General Fund and Housing Revenue Account for the year and the transfers to/from reserves.

- 12) A disclosure that demonstrates whether the Dedicated Schools Grant (made under section 14 of the Education Act 2002) has been deployed in accordance with regulations made under sections 45A, 45AA, 47, 48(1) and (2) and 138(7) of, and paragraph 1(7)(b) of Schedule 14 to, the School Standards Framework Act 1998 (England).
- 13) Details of the nature and amount of trust funds where the authority acts as the sole trustee. For other trust funds and other third party funds administered by the authority, a statement providing an indication of the overall nature and amounts administered by the authority. Where land or non-financial assets are managed, occupied or held by the local authority which are impressed with charitable trusts, the nature of those holdings.

### **Cash Flow Statement**

- 14) An analysis of the components of cash and cash equivalents.

## **3.4.5 Statutory Disclosure Requirements**

**3.4.5.1** There are no statutory disclosure requirements in relation to the presentation of financial statements. Authorities shall disclose the statutory notes as set out in the other sections of the Code in addition to the following:

- 1) a) Number of employees and senior police officers (all police officers in Wales) (except those included in b) below) whose remuneration in the year was greater or equal to £50,000, grouped in rising bands of £5,000 (England and Wales), and
- b) An analysis by job title of the remuneration and employer's pension contributions in respect of senior employees and relevant police officers whose salary is £50,000 or more per year (or by name and job title where the salary is £150,000 or more per year) (England and Wales).
- c) In Wales, the reference to '£50,000' in a) and b) above shall be read as '£60,000'.

### **Remuneration Report (Scotland)**

**3.4.5.2** Local authorities in Scotland shall produce the statutory Remuneration Report in accordance with the requirements of the Local Authority Accounts (Scotland) Regulations 1985 (SI 1985, No. 267) as amended by the Local Authority Accounts (Scotland) Amendment Regulations 2011 (SSI 2011 No.64) and the guidance issued by the Scottish Government (Scottish Government Finance Circular

[8/2011](#)).

### 3.4.6 Changes since the 2010/11 Code

- 3.4.6.1 The 2010/11 Code did not require segment assets to be reported unless they were reported internally; this was an interpretation of IFRS 8. Following an amendment to IFRS 8 by the Improvements to IFRS issued in April 2009 (and EU adopted in March 2010), IFRS 8 only requires segment assets to be reported where reported internally. The interpretation is therefore no longer required and has been removed; this does not alter the disclosure requirements.
- 3.4.6.2 As a result of changes to the Accounts and Audit Regulations issued since the publication of the 2010/11 Code, additional remuneration disclosures are required in England and Wales. The 2011/12 Code incorporates these amendments for the first time; however the revised regulations apply from 31 March 2010.
- 3.4.6.3 The 2011/12 Code introduces a requirement (in all jurisdictions) to report summary information in relation to exit packages.
- 3.4.6.4 The 2011/12 Code includes an additional disclosure in relation to trust funds where the authority acts as the sole trustee. This note was previously required by the SORP but omitted from the 2010/11 Code.
- 3.4.6.5 Additional guidance on the financial statements has been included in the 2011/12 Code.
- 3.4.6.6 [The Local Authority Accounts \(Scotland\) Amendment Regulations 2011 \(SSI 2011/64\) introduced the requirement for Scottish local authorities to produce a Remuneration Report as a part of the statutory accounts. This requirement has been incorporated as an Update to the 2011/12 Code \(and the 2012/13 Code\). However the amended regulations apply from the 2010/11 financial year.](#)