

Annex C - Audit Committee Queries on Draft Statement of Accounts 2020/21

<u>Query</u>	<u>Response</u>																								
Did the £8.031m decrease in current investments lead to a loss of income? Where did it go? (p7)	<p>Balances fluctuate daily dependent upon cash flow needs. This represents the position at 31 March 2021. The overall balance of current, long terms and cash and cash equivalent balances at 31 March 2021 was £23.6m compared to £24.9m on 31 March 2020.</p> <table border="1"> <thead> <tr> <th></th> <th><u>31/03/2020</u></th> <th><u>31/03/2021</u></th> <th><u>Diff</u></th> </tr> <tr> <th></th> <th><u>£</u></th> <th><u>£</u></th> <th><u>£</u></th> </tr> </thead> <tbody> <tr> <td>Non Current Investments</td> <td>10,123,768</td> <td>11,062,288</td> <td>938,520</td> </tr> <tr> <td>Current Investments</td> <td>9,175,814</td> <td>1,144,649</td> <td>-8,031,165</td> </tr> <tr> <td>Cash and Cash equivalent</td> <td>5,688,585</td> <td>11,370,358</td> <td>5,681,773</td> </tr> <tr> <td></td> <td><b>24,988,167</b></td> <td><b>23,577,295</b></td> <td><b>-1,410,872</b></td> </tr> </tbody> </table> <p>There has been an increase of £0.938m in Strategic Pooled Funds, £8m fall in current investments but £5.6m in cash held in money market funds (classified as cash equivalent).</p> <p>During 2020/21, the Authority's investment balance ranged between £61.596m and £19.212 million due to timing differences between income and expenditure.</p> <p>The outturn for investment income received in 2020/21 was £452,895 which equates to a 1.80% return (19/20 – 2.16%) on an average investment portfolio of £29.505 million against a budgeted £575,668 on an average investment portfolio of £28.369 million. Net investments made a deficit of £122,773 for the 2020/21 financial year against the original budget.</p> <p>Further details can be seen in the Treasury Outturn report (July 22 Audit Committee – Agenda item 9).</p>		<u>31/03/2020</u>	<u>31/03/2021</u>	<u>Diff</u>		<u>£</u>	<u>£</u>	<u>£</u>	Non Current Investments	10,123,768	11,062,288	938,520	Current Investments	9,175,814	1,144,649	-8,031,165	Cash and Cash equivalent	5,688,585	11,370,358	5,681,773		<b>24,988,167</b>	<b>23,577,295</b>	<b>-1,410,872</b>
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Should we not set up a reserve account against possible increases in costs from	The Council Priorities fund (£2.473m) is available to provide a level of contingency against possible increases in costs from either Ubico or Publica.																								

<p>either Ubico or Publica? (p8)</p>	
<p>- Please could you tell us why 'other operating expenditure' increased by 33% (circa £800k)? (p11)</p>	<p>As shown in note B3, in 2019/20 an 'unattached capital receipt' of £547k was received from Bromford Housing as a result of the sale of housing stock under 'Right to Buy' that belonged to Cotswold District Council prior to Large Scale Voluntary Transfer. No such receipts were received during 2020/21.</p>
<p>What are 'retained and corporate council services' and why have they gone up by over £400k? (p11)</p>	<p>This includes services delivered by the 'retained' Council (CDC) rather than services delivered through Publica and Corporate Costs including savings budgeted, external audit fees, discretionary pension payments and Strategic Director Costs.</p> <p>In 2019/20 this included expenditure of £108k reflecting falls in the revaluation of surplus assets charged to the comprehensive income and expenditure statement as no revaluation reserve balance was held. No equivalent accounting entry was required in 2020/21 as all falls in value of surplus asset were charged to the revaluation reserve within the balance sheet as corresponding revaluation reserve balances were held.</p> <p>A separate line has been included in the 2020/21 Comprehensive Income and Expenditure Statement for Retained and Corporate Services in relation to Covid-19. This includes expenditure in respect of additional Ubico costs as a result of Covid-19, compliance and enforcement of Covid-19 restrictions, support offered to vulnerable residents and grant income and expenditure in relation to test and trace self-isolation payments. Funding of the net £276k expenditure (£nil in 2019/20) is met from the general Covid-19 LA Support Grant received from central government shown at note B8 (Grants Credited to Taxation and Non Specific Grant Income).</p>
<p>'Other service expenses'</p>	<p>'Other service expenses' increased by £1.6m from £12.6m to £14.2m.</p>

<p>increased by some £1.6m, what were the key elements of this increase? (p19)</p>	<p>This can be explained by the following:</p> <ul style="list-style-type: none"> <li>- £248k Purchase of new Civica ‘Open Revenues’ Revenue and Benefits Software (funded from earmarked reserves)</li> <li>- £830k more S106 contributions paid to Community groups and Housing Association in 2020/21 than in 2019/20 (balances transferred from balance sheet).</li> <li>- £554k of Covid-19 related Ubico charges</li> </ul>
<p>I don’t remember seeing anything previously about a loan to ‘Friends of the Cotswolds’ please could you give me some details of this? (p40)</p>	<p>A loan of £360k was issued in 2014 for the purchase of the ‘Old Prison’ with a further advance of £78k being made in 2019 to enable the ‘Friends of the Cotswold’ to secure grant funding in relation to the upgrade and renovation of the ‘Old Prison’.</p> <p>Both loans are secured upon the ‘Old Prison’, Northleach and repayments have been made in line with the agreed 30 year repayment schedule.</p>