

---

<b>REPORT TO:</b>	<b>ETWALL LEISURE CENTRE JOINT MANAGEMENT COMMITTEE</b>	<b>AGENDA ITEM: 8</b>
<b>DATE OF MEETING:</b>	<b>29th SEPTEMBER 2014</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>TREASURER TO THE JOINT MANAGEMENT COMMITTEE</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>KEVIN STACKHOUSE (01283 595811)</b> <a href="mailto:Kevin.stackhouse@south-derbys.gov.uk">Kevin.stackhouse@south-derbys.gov.uk</a>	
<b>SUBJECT:</b>	<b>STATEMENT OF ACCOUNTS 2013/14</b>	<b>REF:</b> u/ks/live files/Etwall JMC/final accountsreport1314
<b>WARD (S) AFFECTED:</b>	<b>ETWALL, HATTON, HILTON, NORTH WEST, REPTON &amp; WILLINGTON</b>	

---

## **1.0 Recommendations**

- 1.1 That the Statement of Accounts for 2013/2014 are considered and approved for signing by the Treasurer to the Joint Management Committee.
- 1.2 That the Committee authorises the Chairman and the Secretary to the Committee to sign the Annual Governance Statement for 2013/14.

## **2.0 Purpose of Report**

- 2.1 To report the Leisure Centre's final accounts for 2013/14, including the formal financial and governance statements presented for Audit. This is in accordance with Local Government Accounts and Audit Regulations

## **3.0 Summary**

- 3.1 The Leisure Centre's statement of accounts is appended to this report.
- 3.2 The main cost for the Leisure Centre is now the annual contract payment to Active Nation, to manage and maintain the facility. The accounts show the contributions made by each of the funding partners.
- 3.3 The accounts and disclosures have been prepared in accordance with financial regulations and conform to proper accounting practice for local authorities in the U.K.

### **Financial Summary**

- 3.4 The Statement of Accounts show income and expenditure for 2013/14 compared to 2012/13. The table below provides some further analysis, together with a comparison to estimated expenditure that was considered and approved by the Committee in January 2014.

<b>Analysis of Etwall Leisure Centre Costs</b>	<b>Actual 2012/13 £</b>	<b>Estimated 2013/14 £</b>	<b>Actual 2013/14 £</b>
Repairs and Maintenance	4,025	20,000	18,736
Supplies and Services	189	2,000	2,442
Contribution to Utility Costs	1,650	5,000	4,444
Contribution to Sinking Fund	25,000	25,000	25,000
Contractor Payment	118,383	81,201	85,101
Vending Machine Lease	3,513	3,584	6,755
<b>Sub Total - Direct Running Costs</b>	<b>152,760</b>	<b>136,785</b>	<b>142,478</b>
<b>Central Support/Overheads</b>			
Printing	47	46	41
Financial Services	5,689	5,709	5,081
Audit Fees	2,386	2,325	2,093
Legal Services	687	819	737
Procurement	3,127	3,044	2,739
Client Management	15,504	14,906	12,894
<b>Sub- Total - Overheads</b>	<b>27,440</b>	<b>26,849</b>	<b>23,586</b>
<b>Gross Expenditure</b>	<b>180,200</b>	<b>163,634</b>	<b>166,064</b>
Less - County Council Contributions	-39,693	-32,000	-32,000
<b>NET EXPENDITURE</b>	<b>140,507</b>	<b>131,634</b>	<b>134,064</b>
<b>Shared</b>			
South Derbyshire District Council (62%)	-70,851	-81,613	-83,120
Derbyshire County Council (see Note below)	-34,231	0	0
John Port School (38%)	-35,425	-50,021	-50,944
	<b>-140,507</b>	<b>-131,634</b>	<b>-134,064</b>

**Note: After 2012/13, DCC no longer contribute directly to the costs of the facility under the JMC Agreement**

## **Annual Governance Statement (AGS)**

- 3.6 The AGS acts as a public assurance statement that the Committee has adopted a sound system of internal control, in particular relating to the maintenance of the accounts and financial procedures.
- 3.7 The AGS is the formal statement that recognises and publishes an organisation's arrangements for doing this; it is a statutory requirement.
- 3.8 The AGS has to be formally published as part of the Committee's accounts. It has to be signed by the Chairman and Secretary to the Committee (the District Council's Chief Executive Officer) after it has been considered and recommended for approval by the Committee.
- 3.9 The Committee has to evidence that it can meet the principles set out in the AGS before it is published. The Governance Statement is detailed in **Section 9** of the Accounts.

3.10 The Committee's accounts and financial transactions are administered through the District Council, utilising its systems and procedures. This includes internal audit, day to day financial management and many other internal control procedures.

### **Internal Audit Review**

3.11 This was undertaken during 2013/14. The audit focused on reviewing the performance of the Leisure Centre, the information that was reported to South Derbyshire District Council and the Joint Management Committee, together with the management sum that is paid to Active Nation.

3.12 The outcome of the audit was that the Auditor was able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled.

3.13 Generally risks were found to be well managed, but some systems required the introduction or improvement of internal controls to ensure the achievement of objectives. Some recommendations were made, the implementation of which are being monitored by the District Council's Audit Committee.

3.14 These covered the nature of performance reporting, data collection, client reviews, together with finalising the formal contract between all parties.

3.15 In summary, the Auditor commented that: *"Management and the Audit Committee should note that there are no adverse implications for the Council's Annual Governance Statement arising from this work."*