

Guidance for Completing Annual Account Form



Introduction



1.1 Why is an account necessary?

A financial guardian is required to keep a record of all financial transactions with the adult's funds. As part of the supervision of the financial guardian the Public Guardian is required to examine these financial records. An account is a record of all income received, expenditure made and investments carried out during the accounting period.

1.2 What is the accounting period?

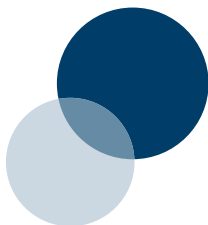
The accounting period is the period of time which the account should cover. The accounting periods will be determined by the Public Guardian and intimated to the financial guardian in writing. The accounting period will normally be for one year. The Public Guardian may vary the frequency of the accounting period.

1.3 Why are the first and final accounting period different?

The first accounting period will usually be for a period of slightly longer than a year, e.g. if the date of appointment of the financial guardian is 5 May 2010 the first accounting period would normally cover the period 5 May 2010 to 31 May 2011. The final accounting period covers the period from the date at close of the previous account to the date of termination of the guardianship. A guardianship may terminate for a variety of reasons including the death of the adult, recovery of the adult or change of guardian.

1.4 Is there an account form?

Yes. The prescribed form of account can be obtained from our website or by telephoning the office. An example of the completed form is contained in this guidance. The type of account is a schedule account.



There will be a summary page at the beginning of the account. Subsequent pages will contain Schedules 1-7.

- Schedule 1 – Lists estate at beginning and end of the accounting period.
- Schedule 2 – Investment income – includes bank, stock/share interest, etc.
- Schedule 3 – Pension/benefits – includes pensions, DSS benefits, etc.
- Schedule 4 – Any other income.
- Schedule 5 – Living expenses of the adult.
- Schedule 6 – Other expenditure – includes legal expenses, etc.
- Schedule 7 – Details of contact with the adult.

The summary total of Schedules 1-6 are entered in the appropriate place on the summary sheet.

The example of the account style shows the summary page and the supporting schedules. Following on from each schedule are notes which will aid you in completion of the schedule.

1.5 Is there help available?

Yes. Additional help can be obtained by contacting the Office of the Public Guardian (OPG).

1.6 When should the account be lodged?

The account will require to be lodged not more than two months after the end of the accounting period. The financial guardian will be notified of the date by the Public Guardian, usually two weeks before the account is due.

1.7 What happens after the account is lodged?

The account will be reviewed by a case officer. Further information may be requested from the financial guardian as a result of the review. When the officer is satisfied, an Audit Certificate will be issued to the financial guardian confirming the review of the account is complete.

Please note that supporting documentary evidence should be lodged with the account including, but not limited to, bank statements/passbooks for each account covering the full accounting period, contract notes for purchase/sale of stocks and shares, receipts/invoices for all purchases made of £100.00 or more and correspondence from DWP/Benefits Agency/private pension funds indicating the amount and type of income received by the Adult.

2. Completing the Form

The first page of the form is a summary of schedule 1 to 6 of the account.

Annual/Final Account Form Summary of Account

OPG Ref: PG/SXXX/1

Account of: John Smith

As financial guardian(s) to: Robert Brown

Period covered: 01/04/2010 to 31/03/2011

Caution Amount: £70,000.00

Annual Premium: £180.00

Summary of estate as at 01/04/2010	Schedule 1	£62,160.25
Investment income	Schedule 2	£222.65
Pensions/Benefits	Schedule 3	£8,146.00
Any Other Income	Schedule 4	£1,620.00
Gain	Schedule 1	£300.00
	Total	£72,448.90

Living Expenses	Schedule 5	£9,185.00
Other Expenditure	Schedule 6	£1,720.00
Loss	Schedule 1	£50.00
Estate as at 31/03/2011	Schedule 1	£61,493.90
	Total	£72,448.90

Investments made during the period of this account	Schedule 1	£1,965.00
----------------------------------------------------	------------	-----------

I confirm that this is a true and fair reflection of my transactions with the above estate during the period of this accounting.

Financial Guardian(s) _____ Date: _____
_____ Date: _____
_____ Date: _____

Note on completion of Schedule 1

In the first account the opening figures to be entered in Schedule 1 will be those agreed after the examination of the Inventory. In subsequent accounts the opening figures entered will be those agreed at the end of the preceding accounting period. In order to keep a uniform approach, assets should be recorded in the following order.

Schedule 1 - heritable assets

Heritable assets are usually recorded whether or not there is an intention to sell the property. The details of the property to be included in Schedule 1 include address and the share of the property owned by the adult. The valuation should be entered in Column 1. If the property remains unsold at the close of accounting the same valuation should be entered at Column 6. If the property is sold during the period of accounting then the gross amount of the proceeds attributable to the adult should be entered in Column 3 and the gain or loss on the sale (Column 3 – Column 1) should be entered in either Column 4 or 5.

Schedule 1 (heritable assets)

List all heritable assets held at the start of the account including any interest in a business, any investments or realisation made during the period of the account and the value of the heritable assets held at the close of the account.

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Description	Value agreed at start of period of account 01/04/2010	Investments made during period of account	Amount received for assets realised during period of account	Gain on realisation	Loss on realisation	Value agreed as at close of period of account 31/03/2011
12 Thomas Grove Edinburgh	£50,000.00					£50,000.00
Schedule 1	£50,000.00					£50,000.00
(heritable assets) Totals						

Moveable property

Moveable property includes bank/building society accounts; stocks and shares; ISAs etc.

Bank/building society accounts

List all accounts giving details of who the account is held with, the account number and the type of account i.e. deposit, current, etc. Enter the balance at the start of the period of account in Column 1 and the balance at the close of the period of account in Column 6. If the account is closed during the period of account then no entry will be made in Column 6. If an account is opened during the period of the account then details of the account should be entered under “Description” and the value at the close of the period of account in Column 6.

Stocks and shares

A valuation of all stocks and shares held at the date of appointment should be obtained at inventory stage. Each individual stock and share holding should be recorded giving details of what investment is in, the amount and type of shares held under “Description”. The valuation should be entered at Column 1 and provided there has been no change to the holding the same value should be entered in Column 6. There is no requirement for stocks and shares to be revalued on annual basis. If there has been a change to a holding proceed as follows:–

Sale of investments

If the entire investment has been sold then enter the net sale proceeds in Column 3. Then enter the gain or loss on the sale in either Column 4 or 5.

If only part of the holding is sold then you firstly have to calculate the value of the part that has been sold. The simplest way to explain this is by using an example as follows:–

The estate at start of the period of account includes a holding of 400 British Gas ordinary shares which were valued at £800.

The guardian during the period of account has sold 300 shares for £750.

Firstly you calculate the value in the account of the 300 shares:–

$$300/400 \times £800 = £600$$

Now calculate the gain or loss on the realisation:–

$$£750 - £600 = £150$$

This figure should be entered in Column 4 as a gain.

You must then enter the value of the holding left being the original value of the holding less the value of the shares sold:–

$$£800 - £600 = £200$$

This figure is then entered in Column 6.

Finally under “Description” add “now reduced to 100”.

Investment in a holding

If investment is made in an entirely new holding during the period of account then details should be entered under “Description” and the amount paid for the holding in columns 2 and 6. If investment is made which adds to a current holding the amounts and values are simply added together, as follows:–

Existing holding – 200 GRE ord shares held at £3,450.

Purchase made of 100 GRE ord shares costing £1,000.

New holding – 300 GRE ord shares held at £4,450.

To enter this information on Schedule 1 under the “Description” add “increased to 300”.

Enter £1,000 in Column 2 and £4,450 in Column 6.

Other assets

Anything not included in the above two headings can be included here, e.g. life policies, motor vehicles, jewellery, house contents etc. Some of these items may only have a nominal value and expert valuations should be obtained if the financial guardian believes that it is worthwhile to do so, for example for insurance purposes. They should be recorded here as they are recognised to be of some value. It is acknowledged that the majority of items here will not generate annual income. The value of such items will not be included when the case officer calculates remuneration.

Schedule 1 (moveable assets)

List all moveable assets held at the start of the period of accounts including any investments or realisations made during the period of the account and the value of the moveable assets held at close of the account.

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
Description	Value agreed at start of period of account 01/04/2010	Investments made during period of account	Amount received for assets realised during period of account	Gain	Loss	Value agreed as at close of period of account 31/03/2011
Bank of Scotland A/C No: 00254125	£5,700.25					£5,218.90
400 British Gas ord shares reduced to 100	£800.00		£750.00	£150.00		£200.00
200 GRE ord shares increased to 300	£3,450.00	£1,000.00				£4,450.00
200 BT ord share	£660.00					£660.00
100 SUN ord shares	£800.00		£750.00		£50.00	
20 Halifax ord shares	£750.00		£900.00	£150.00		
150 STV ord shares		£965.00				£965.00
SCHEDULE 1 (moveable assets) Totals	£12,160.25	£1,965.00	£2,400.00	£300.00	£50.00	£11,493.90
SCHEDULE 1 (heritable assets) Totals	£50,000.00					£50,000.00
Grand Total Schedule 1	£62,160.25	£1,965.00	£2,400.00	£300.00	£50.00	£61,493.00

Once **Schedule 1** has been completed the relevant figures should then be entered onto the summary sheet at the start of the form, being the totals of each of Columns 1,2,4,5 and 6.

Schedule 2

This schedule should list all interest payments received during the period of the account. It will aid both the financial guardian in completing the account, and also the case reviewer when looking at the account if the income from the assets is recorded in the same order as in Schedule 1. This may help show any assets which have for whatever reason not produced income during the period. Each amount of income received should be shown separately together with the date payment was received. Once all interest has been recorded the Schedule 2 total should be entered on the summary sheet on page 1 of the account.

Schedule 2 (interest payments)

Please detail all interest payments received during the period of the account.

Source of Income	Date received	Amount of Income
Bank of Scotland A/C 00254125	30/06/2010 31/12/2010	£31.50 £33.70
400 British Gas ord shares 100 British Gas ord shares Dividend	03/04/2010 05/09/2010	£5.00 £1.00
200 GRE ord shares 300 GRE ord shares Dividend	07/05/2010 12/12/2010	£12.00 £15.00
200 BT ord shares Divident	01/04/2010 01/07/2010 01/10/2010 01/10/2010	£25.00 £22.00 £22.00 £24.00
100 SUN ord shares Divident	30/09/2010 31/03/2011	£9.45 £7.50
20 Halifax ord shares	31/07/2010 31/01/2011	£2.50 £4.75
150 STV ord shares Dividend	04/04/2010 31/10/2010	£3.50 £3.75
Schedule 2 Total		£222.65

Once **Schedule 2** has been completed the total should then be entered onto the summary sheet at the start of the form.

Schedule 3

Included in this schedule are all pensions, benefits and annuities received during the period of the account. These types of payments are normally subject to an annual increase. This means that payment is usually constant over a period of several months and it is sufficient to record payment as so many weeks or months at a certain rate. Schedule 3 in the example gives an illustration of how to record pensions. Once all pensions, benefits and annuities have been recorded the Schedule 3 total should be entered on the summary sheet.

Schedule 3 (income)		
Please give details of all pensions, benefits, annuities, etc. received during the period of the account		
Received from	Frequency	Total
Scottish Widows	7 months @ £550.00	£3,850.00
	1 month @ £600.00	£600.00
	4 months @ £650.00	£2,600.00
DSS retirement pension	40 weeks @ £20.00	£800.00
	1 week @ £21.00	£21.00
	11 weeks @ £25.00	£275.00
Schedule 3 Total		£8,146.00

Once **Schedule 3** has been completed the total should then be entered onto the summary sheet at the start of the form.

Schedule 4

Any income received which has not been recorded in either Schedules 2 or 3 should be recorded in this schedule. Details to be recorded are where the income came from, the amount of the income and the reason the income was received (if known). Once all income has been recorded the Schedule 4 total should be entered on the summary sheet.

Schedule 4 (other income)

Please detail any other income received not previously recorded including any interest in a business.

Source of income	Reason for Income	Amount of Income
Inland Revenue	Income tax rebate 2009/2010 overpayment	£120.00
Dora Smiths Trust	Trust payment 2009/2010	£1,500.00
Schedule 4 Total		£1,620.00

Once **Schedule 4** has been completed the total should be entered onto the summary sheet at the start of the form.

Schedule 5

This schedule should detail all costs incurred in looking after the adult including the payment of all household related expenses, e.g. utility bills, holidays, etc. It may be that there has been a monthly allowance agreed between the financial guardian and the Public Guardian to cover food or clothing or pay various utility bills. If this is the case then the amount of living allowance agreed should be recorded and shown in Schedule 5, see example. Otherwise each separate expense should be recorded, as shown in the example. Once all expenses have been recorded the Schedule 5 total should be entered on the summary sheet.

Schedule 5 (living expenses)

Please detail all living expenses incurred during the period of the account.

Detail	Amount
Living allowance - 12 months @ £400.00	£4,800.00
Holidays	£1,000.00
Repairs to property	£500.00
Electricity	£450.00
Gas	£625.00
Insurance	£310.00
Purchase of bedroom furniture	£1,500.00
Schedule 5 Total	£9,185.00

Once **Schedule 5** has been completed the total should then be entered onto the summary sheet at the start of the form.

Schedule 6

This schedule should total all management and other expenses incurred which have not been recorded in Schedule 5, e.g. legal expenses for the sale of property, the financial guardian's fee, etc.

Once all expenses have been recorded the Schedule 6 total should be entered on the summary sheet.

Schedule 6 (other expenses)

Please detail all other expenses incurred on behalf of the adult.

Nature of Expenses	Date Paid	Amount
OPG Fee	10/08/2010	£100.00
Caution premium	10/11/2010	£120.00
Schedule 6 Total		£220.00

Once **Schedule 6** has been completed the total should be entered onto the summary sheet at the start of the form.

Schedule 7

Schedule 7 requires the financial guardian to provide a brief report their contact with the adult, adult's primary carer or interested parties in accordance with the management plan.

The Code of Practice outlines that it would normally be good practice for the financial guardian to hold a review at least once every six months.

Schedule 7

Please provide a brief report on your contact with the adult, adult's primary carer or interested parties.

I visit the adult on a weekly basis and have contact with the primary carer/care establishment on a monthly basis to ensure the adult's needs are being met.

I have also attended care review meetings with social workers on 14/03/10 and 21/09/10.

Further Assistance

If you require further advice and guidance, a member of staff will be happy to assist.

Office of the Public Guardian (Scotland)

Hadrian House

Callendar Business Park

Callendar Road

Falkirk

FK1 1XR

DX: 550360 Falkirk 3

LP: LP-17 Falkirk

- Telephone: 01324 678300
- Fax: 01324 678301
- Email: opg@scotcourts.gov.uk
- Website: www.publicguardian-scotland.gov.uk

The office is open to the public from 9am to 5pm, Monday to Friday.