

Committee: Finance and Administration Committee
Date: 26 June 2008
Title: Draft Statement of Accounts 2007/08
Author: Adrian Webb, Interim Director of Central Services, 01799 510421

Agenda Item

10

Item for Decision

Summary

1. This report sets out the summary of the main information relating to the Statement of Accounts for 2007/08, which is presented to this Committee for approval, subject to audit.

Recommendations

2. It is RECOMMENDED that the Finance and Administration Committee approve the Statement of Accounts for 2007/08, subject to audit.

Background Papers

3. 2007/08 Final Accounts working papers.

Impact

Communication & Consultation	This report is a document available to the public. Local Government electors for the area may exercise their rights to question the auditor about, or make objections to the accounts at the Appointed Date, 10 th September 2008.
Community Safety	There are no specific community safety
Equalities	There are no specific equalities implications in this report
Finance	The Statement of Accounts is the key indicator of the Council's financial position as at 31 st March 2008.
Human Rights	There are no specific Human Rights
Legal implications	Under the Accounts and Audit Regulations 2003, the Council or the relevant committee is required to approve the Statement of Accounts by no later than 30 th June 2008.
Sustainability	There are no specific Sustainability implications in this report
Ward-specific	There are no specific Ward-specific impacts implications
Workforce & Workplace	There are no specific Workforce/Workplace implications

Situation

4. The Accounts and Audit Regulations 2003 set out the requirements for the production and publication of the annual Statement of Accounts. The Regulations require all local authorities to approve the draft 2007/08 Statement of Accounts (subject to audit) by no later than 30th June 2008.
5. The draft Statement of Accounts is attached to this report.
6. Prior to this meeting the Performance Select Committee, at its meeting on Tuesday 24th June 2008 considered the Annual Governance Statement, which is included in draft in the attached Statement of Accounts. The agreed Annual Governance Statement will be signed by the Leader of the Council and the Interim Chief Executive.
7. The Interim Director of Central Services has signed the Balance Sheet and also certified that the Accounts present fairly the financial position in the Statement of Responsibilities for the Statement of Accounts.
8. Following the meeting the Leader of the Council will be asked to sign to say the Council has approved the Accounts for Audit.

Financial Outturn 2007/08.

9. Page 5 sets out the position on the General Fund outturn for 2007/08. This shows that there is an underspend of £799,456 compared to the Revised Estimate. Reasons for the main variations are set out on Pages 5 and 6.
10. The Council's revised budget included £236,800 for the receipt of Local Authority Business Growth Incentive (LABGI) grant. On 1 May 2008 the Department for Communities and Local Government (DCLG) placed information on its web site relating to the payments to be made for 2007/08. £260,489 has been included in the 2007/08 Accounts which is the amount DCLG have declared due (but not yet paid) at 01/05/08 (£241,055), plus the additional amount of £19,434 already received for 06/07. DCLG have withheld 30% of the 07/08 allocation pending the submission of any appeals relating to the methodology, with a closing date of 16 May 2008. As at 19 June 2008 no further information has been released so any further LABGI grant will be a credit in the 08/09 accounts.
11. The Revised General Fund Budget included £236,740 for redundancy costs to be funded from capital receipts following submission of a request to the DCLG. When final approval was given by DCLG the permission to capitalise had increased to £489,763. This has meant that nearly all the redundancy and associated costs have been allowed to be capitalised, saving £253,000 of revenue balances.
12. Page 6 gives the main variances and the outturn figures for the Housing Revenue Account (HRA). This shows that there is an underspend of £40k, compared to the Revised Estimate. The detail of the main HRA is set out on Pages 56 to 66.
13. Pages 7 and 8 show the scheme by scheme analysis of the Council's Capital Programme. The actual spend was £4,566,809 against a Revised Budget of £5,550,137, which is an underspend of £983,328, and is mainly due to slippage.

Reserves and Balances

14. At Revised Estimate time the Council agreed to:

- Transfer £400,000 from the PFI Reserve to the General Fund,
- Draw £892,515 from the General Fund Balance

The Statement of Accounts shows that the Council has withdrawn £93,059 from the General Fund Balance which means that there has been no requirement for a transfer from the PFI Reserve.

Audit of Accounts

15. The Council's external auditors, the Audit Commission, are expected to commence their review work sometime in late July, working through until the end of September.

16. For 20 working days during August and September the Accounts and other specified documents will be open for public inspection.

17. The District Auditor has appointed Wednesday, 10 September as the Appointed Date when local government electors for the area may exercise their rights to question the auditor about, or make objections to the Accounts.

18. The District Auditor will present his opinion on the Accounts to the Performance Select Committee on 23 September 2008.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
That the Statement of Accounts does not receive an unqualified Audit Opinion	MEDIUM, due to the high number of accountants completing the accounts for the first time in 2007/08, and the number of changes required by the new CIPFA Statement of Recommended Practice (SORP)	HIGH	The CIPFA SORP and Guidance Notes have been followed. Changes required by the District Auditor in 2006/07 have been implemented. Where they have been available, past working papers have been followed. External challenge has been undertaken in the areas of capital and HRA where we have no previous closedown experience.