

Committee:	Performance Select Committee	Agenda Item
Date:	30th September 2008	13
Title:	Statement of Accounts 2007/08	
Author:	Adrian Webb, Interim Director of Central Services	Item for Decision

Summary

1. This report updates members on the audit of the Council's Accounts for the year ended 31st March 2008.
2. At the 26th June 2008 meeting of Finance and Administration Committee, members approved the draft Statement of Accounts for submission for audit.
3. Attached for member's approval is the revised updated Statement of Accounts for 2007/08 following the conclusion of the audit by the District Auditor. The new revised Statement of Accounts includes all the changes agreed with the District Auditor.

Recommendations

- It is recommended that Performance Select Committee approve the revised Statement of Accounts for 2007/08 attached to this report.

Background Papers

- 2007/08 Final Accounts working papers

Impact

Communication and Consultation	This report is a document available to the public. The approved document will be added to the Council's website. In addition copies will be on display in the Council's offices and the local libraries.
Community Safety	There are no specific community safety implications in this report.
Equalities	There are no specific Equalities implications.
Finance	The change to the Council's financial position is set out in the following paragraphs.
Human Rights	There are no specific Human Rights implications in this report.
Legal implications	Under the Accounts and Audit Regulations 2003, the Council, or the relevant committee is required to have the audit of the Statement of Accounts concluded by 30 th September 2008.

Sustainability	There are no specific Sustainability implications in this report.
Ward-specific impacts	There are no specific ward-specific implications in this report.
Workforce/Workplace	There are no specific workforce/workplace implications in this report.

4. Situation

- The District Auditor (DA) has now concluded his work on the audit of the Council's Accounts for 2007/08.
- The DA has issued an unqualified Audit Opinion on the Council's financial statements.
- The main effects of changes to the Council's balances are as follows:
 - a) General Fund Balance. This has now increased as follows:

▪ Draft Statement 26 th June 2008	£907k
▪ Final-30 th September 2008	<u>£1,061k</u>
▪ Addition to General Fund balance	<u>£154k</u>

The main reasons for this additional surplus are:

- Additional capital accounting adjustments	£103k
- Invoices originally charged/credited in wrong year	£54k
- Other miscellaneous changes	<u>(£3k)</u>
TOTAL ADDITIONAL SURPLUS	<u>£154k</u>

b) Housing Revenue Account. This has now reduced as follows:

▪ Draft Statement 26 th June 2008	£761k
▪ Final Statement 30 th June 2008	<u>£551k</u>
▪ Reduction in HRA balance	<u>£210k</u>

The main reasons for this additional deficit are:

- Part of Week 53 rent income credited to old year	£177k
- Support services recharges previously not included	£34k
- Rounding	<u>(£1k)</u>
TOTAL ADDITIONAL DEFICIT	<u>£210k</u>

5. District Auditor's independent report on the Council's use of resources.
 - a) Although the DA has issued an unqualified opinion on the Council's financial statements a separate opinion is required on the use of resources.
 - b) The DA has issued an adverse conclusion in accordance with the Code of Audit Practice.
 - c) The DA is not satisfied that, in all significant respects, the Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31st March 2008, in that it did not put in place:
 - adequate arrangements to maintain a sound system of internal control,
 - adequate arrangements to manage and improve value for money,
 - a medium-term financial strategy, budgets and a capital programme that are soundly based and designed to deliver its strategic priorities,
 - adequate arrangements to ensure that its spending matches its available resources,
 - adequate arrangements for managing performance against budgets; and
 - adequate arrangements for the management of its asset base.

Risk Analysis

Risk	Likelihood	Impact	Mitigating actions
That the Accounts do not reflect the Council's financial position	1	2	The District Auditor has conducted a thorough review of the Council's financial statements over the last 2 months.

1 = Little or no risk or impact

2 = Some risk or impact – action may be necessary.

3 = Significant risk or impact – action required

4 = Near certainty of risk occurring, catastrophic effect or failure of project.