

Meeting of: AUDIT COMMITTEE
Date: 27 JULY 2005
Report of: HEAD OF FINANCIAL SERVICES
Reference: HFS/soa2005
Title: STATEMENT OF ACCOUNTS 2004/05

PUBLIC/EXEMPT ITEM

This report is for consideration in the public part of the meeting.

PURPOSE OF THE REPORT

This report seeks Members' approval of the draft Statement of Accounts for 2004/05 and outlines the audit process for information.

RECOMMENDATIONS

- 1. That Committee consider the attached Accounts and issues arising.**
- 2. That the draft Statement of Accounts for the financial year ended 31 March 2005 be approved, and that the Chairman signs and dates the Accounts accordingly.**

REPORT

1 ACCOUNTS AND AUDIT REGULATIONS 2003

1.1 Each year Councils must make arrangements for the production, approval, inspection and audit of their accounts. The Account and Audit Regulations set out various requirements in relation to the process, and in 2003 they were updated to provide for the following:

- Date of Approval
Previously, Councils had to gain approval of their accounts by 30 September. This deadline is being brought forward on a phased basis as shown below.

	<i>Approval by:</i>
2003/04 Accounts	31 August 2004
2004/05 Accounts	31 July 2005
2005/06 Accounts	30 June 2006 (and 30 June for subsequent years)

Financial Services have aimed broadly to meet the new deadlines a year in advance. This is a practical way to see how big a challenge future statutory deadlines represent and whether any changes in practices or procedures need to be introduced. It is pleasing to report that for 2004/05 the accounts were completed by 30 June, although given lead times for agenda publication etc. and practicalities surrounding urgent business procedures, it was decided to leave formal Member approval of the accounts to this meeting. This is still within the

statutory deadlines, but for next year consideration is being given as to how best to facilitate gaining Member approval by 30 June whilst still ensuring sufficient opportunity for Members to review the content of the accounts and consider any issues arising.

- Signing of Accounts by Chairman
The intention behind this requirement is that the chairman's signature should represent the completion of the Council's approval process for its accounts. The requirement for him to sign does not relate to the role of the chief financial officer. That officer alone is responsible for certifying that the statement of accounts is a proper reflection of the Council's financial position.
- Inclusion of statement of internal control
This will be the subject of a specific report for the October meeting. An item elsewhere on the agenda also provides an outline of associated work.
- Publication of Accounts
The deadline for publication is also being brought forward in stages to 30 September for 2005/06 accounts. (Deadline for 2004/05 accounts is 31 October).

2 APPROVAL AND AUDIT OF ACCOUNTS PROCESS

- 2.1 Under the Constitution, this Committee has specific authority to approve the Statement of Accounts. Subject to this approval being gained, the Chairman is asked to sign and date a copy of the accounts for the purpose outlined above.
- 2.2 The draft accounts are attached at **Appendix A**. Outline information on interpreting the accounts and the key issues arising are included in the 'Foreword' section, and Members may find this a useful overview and starting point in their deliberations.
- 2.3 The District Auditor commenced the audit of accounts on Tuesday 05 July. The four week public inspection period commenced on Monday 18 July, and the District Auditor will be available to answer local electors' questions relating to the accounts on Wednesday 17 August. In accordance with the Regulations, these dates have been advertised recently in the local press and on the website. In addition, the website is to be used to gain stakeholders' views on publication of the accounts with the aim of seeing how best to present such information. The Committee's views on this would also be welcomed.
- 2.4 If any significant issues or 'non-trifling' matters arise during the audit these will need to be reported back for consideration by the Committee. In any event, the outcome of the audit will be included within the District Auditor's Annual Audit and Inspection Letter to the Authority, which will be reported to all Members in due course.
- 2.5 Once audited, the Statement of Accounts will be published by 31 October. Copies will be available in various public buildings and they will also be available on the Council's website. If practicable, supporting information will also be made available as appropriate, further to the consultation.

FINANCIAL IMPLICATIONS

The Statement reflects the 2004/05 provisional outturn position as reflected in the Cabinet report for 26 July, subject to the outcome of the audit. Any further implications arising for

current and future years are currently being assessed and will feed through into this year's corporate financial monitoring and/or the review of the Medium Term Financial Strategy.

LEGAL IMPLICATIONS

Legal Services have been consulted and have no comments to add.

COMMUNITY SAFETY IMPLICATIONS

None directly arising.

HUMAN RIGHTS ACT IMPLICATIONS

None directly arising.

RACIAL EQUALITY AND EQUAL OPPORTUNITIES IMPLICATIONS

None directly arising.

SUSTAINABILITY IMPLICATIONS

None directly arising.

MONITORING OFFICER'S COMMENTS

The report and its recommendations outline the process to be followed to comply with the statutory deadlines for approving the 2004/05 Statement of Accounts.

DEPUTY SECTION 151 OFFICER'S COMMENTS

This report was prepared by the s151 officer as part of her responsibilities. Clearly the subject of the report is subject to external audit, the outcome of which will also be reported to Members.

LIST OF BACKGROUND PAPERS

Accounting and Audit Regulations 2003.