

Report of	Meeting	Date
Chief Executive	Governance Committee	28 June 2012

STATEMENT OF ACCOUNTS 2011/12

PURPOSE OF REPORT

- To give members sight of the Statement of Accounts (SOA) that is to be signed and authorised for issue by the Chief Financial Officer before the end of June 2012 and also to advise them about the processes leading up to their formal submission for the approval of members following completion of the external inspection by the Audit Commission.
- It does not make comparison of actual spend against budget. This is done throughout the year in reports to the Executive Cabinet, and a report on the provisional out-turn was submitted to the Cabinet meeting on June 21. The same meeting also received a report on expenditure on the capital programme.

RECOMMENDATION(S)

- Members are asked to note the report.

EXECUTIVE SUMMARY OF REPORT

- All key messages are contained in the body of the report.
- Members will be asked to formally approve the statement by 30 September following the audit carried out by the Audit Commission.
- Notice has been received from the external auditor that the 13 August 2012 has been appointed as the date on or after which local government electors may exercise their rights to question the auditor about the accounts. A period of inspection will run for 20 full working days before that date from 16 July 2012. The Council will be giving 14 days notice by advertisement and via the website of the commencement of this period and this will be placed on 27 June 2012.

Confidential report Please bold as appropriate	No
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CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Strong Family Support	Education and Jobs
Being Healthy	Pride in Quality Homes and Clean Neighbourhoods
Safe Respectful Communities	Quality Community Services and Spaces
Vibrant Local Economy	Thriving Town Centre, Local Attractions and Villages

A Council that is a consistently Top Performing Organisation and Delivers Excellent Value for Money	X
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BACKGROUND

8. Regulation 8 of the Accounts and Audit (England) Regulations 2011 requires:
 - The responsible financial officer must, by June 30, sign and date the Statement of Accounts and certify that it presents a true and fair view of the financial position of the Authority at the year end and the income and expenditure for the year.
 - By September 30 the responsible financial officer must re-certify the Statement following the audit, the Governance Committee must consider and approve the Statement of Accounts and the Chairman must sign it. The Statement of Accounts and the External Auditor's statement must be published.
9. This Statement, to be signed by the Chief Finance Officer, is presented to members for information only at this stage, not for approval.
10. In the following section attention is drawn to the salient, key numbers in the Statement of Accounts and also to the changes in the format of the presentation.

DETAIL

11. There are contradictions between the general accounting standards that Authorities, like any other organisation, have to comply with in producing their financial statements, and the regulations governing what costs should be included when fixing council tax. The Comprehensive Income and Expenditure Statement shows a deficit on the year of £3.115m, (this complies with general accounting standards), but note 7 details adjustments, to comply with council tax regulations, totalling £4.316m. These figures are brought together in the Movement in Reserves Statement on page 9. This shows that general and earmarked reserves have increased by the net of these two figures, i.e. £1.20m.
12. Of this sum £1m, has been added to earmarked reserves, these now stand at £2.8m. A full report on their planned use, and comprehensive details of the movements between the budgeted position and the eventual out-turn, has been reported to the Cabinet on 21 June 2012.
13. The Movement in Reserves Statement (page 9) also reveals that there are unused Capital Grants and Contributions totalling £2.7m as at 31 March 2012. The June 21 Cabinet report advises that £2.0m of this is already committed to be spent in the current year.
14. Pensions – One of the areas of difference between accounting requirements and council tax regulations concerns pensions. The difference resulting from this is held in the Pensions Reserve. During 2011/12 the deficit on the Reserve grew by £6.7m, consisting of £6.2m being the actuaries revaluation of the scheme assets and liabilities, and £0.5m being the actuaries assessment of the amount by which the in year costs exceeded the amount actually paid to the fund (as shown in note 7 to the Statement). The accumulated pension fund deficit stands at £34.0m. The statutory position is that this deficit will be made good through future changes in contributions. The changes to the Local Government pension scheme recently announced affect future benefits. They do not affect this historic deficit.
15. With regard to changes to the way we construct the SOA from last year the Balance Sheet shows a new class of asset being Heritage Assets. These are assets held primarily for their contribution to culture and knowledge. Three assets have been so classified, Astley Hall,

the Council's Civic Regalia, and the furniture and art contents of Astley Hall. The first two of these have been previously shown in the accounts but under a different classification. The contents of Astley Hall, however, are included for the first time.

16. A notable movement between last year's Balance Sheet and that presented for 2011/12 is the significant reduction in debtors from £6.5m to £4.0m. An analysed of this reduction is set out in Note 19. It will be noted that despite the overall reduction, there is actually an increase of £1.25m in the amount owed by other individuals and entities. This is entirely attributable to the sum of £1.75m owed at year end by Adactus Housing Association, however, this was paid in early April 2012.
17. The £1.75m referred to in paragraph 9 is a payment to offset any pension deficit attributable to staff who transferred to the Association at the time of the stock transfer. This will be paid to the pension fund at the most suitable time, and a provision for this can be seen in the Balance Sheet.
18. The Collection Fund showed a healthy surplus of £0.475m on the year. This was consistent with estimates and has been allowed for in fixing the 2012/13 Council Tax.
19. Notice has been received from the external auditor that the 13 August 2012 has been appointed as the date on or after which local government electors may exercise their rights to question the auditor about the accounts. A period of inspection will run for 20 full working days before that date from 16 July 2012. The Council will be giving 14 days notice by advertisement and via the website of the commencement of this period and this will placed on 27 June 2012.

IMPLICATIONS OF REPORT

20. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	X	Customer Services	
Human Resources		Equality and Diversity	
Legal		Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

COMMENTS OF THE STATUTORY FINANCE OFFICER

21. The accounts have been produced in compliance with the relevant accounting standards and codes.

COMMENTS OF THE MONITORING OFFICER

22. None other than to support the comment of the Statutory Finance Officer.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
G Whitehead	5485	15 June 2012	***