

Report of	Meeting	Date
Director of Finance	Audit Committee	26 September 2006

AMENDED STATEMENT OF ACCOUNTS 2005/06

PURPOSE OF REPORT

- To seek approval of the Council's amended Statement of Accounts for 2005/06.

CORPORATE PRIORITIES

- There are no specific direct implications for corporate priorities.

RISK ISSUES

- The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy		Information	
Reputation	✓	Regulatory/Legal	✓
Financial	✓	Operational	
People		Other	

- The Council's Statement of Accounts has to be published in accordance with statutory deadlines and has to meet all accounting standards relevant to local authorities.

BACKGROUND

- The draft unaudited Statement of Accounts was presented for approval on 29 June 2006. Subsequently the Audit Commission has audited the accounts and subsequently I have made a number of amendments to comply with relevant disclosure requirements.

STATEMENT OF ACCOUNTS

- Attached to this report is an amended Statement of Accounts for 2005/06, which takes account of material issues raised by the auditors. Most changes are in respect of compliance with relevant disclosure requirements and these are listed below. In addition, there have been minor corrections to roundings and cross-referencing of figures.
- In addition to the changes recommended by the Audit Commission, I have reported a number of 'post balance sheet events', being matters that have arisen after the balance sheet date but before the date of issue of the Statement of Accounts. These are known as 'non adjusting' post balance sheet events and are included to aid understanding of the Council's financial position. These include the following:
 - The result of the stock transfer ballot means that the Council will transfer most Housing Revenue Account assets during 2006/07. See Note 12 to the Housing Revenue Account.



- The Council has paid £4.47 million of S106 contributions unapplied as at 31 March 2006 to the County Council during 2006/07. See Note 19 to the Consolidated Balance Sheet.
- The Council has received £0.856 million owing in respect of the Gillibrand Housing Development during 2006/07. See Note 9 to the Consolidated Balance Sheet.

MATERIAL AMENDMENTS

8. I have revised and added to the accounting policies included in the statement, including an explanation of the policies relating to events after the balance sheet date.
9. In the Consolidated Revenue Account (CRA), I have changed the presentation of accounting entries relating to the pension scheme to include a separate entry within Net Operating Expenditure for 'gains or losses on pension scheme settlements or curtailments'. These changes also include an amendment to the total for 'non distributed costs' within Net Cost of Services and the contribution from the pensions reserve within the Appropriations section of the account. These changes have not affected the surplus for the year. Note 7 to the CRA has been amended to reflect this change.
10. Also in the Consolidated Revenue Account, the Business Growth Incentive Grant has been merged with General Government Grants under Sources of Finance, because there is not a requirement to show it separately.
11. Note 10 to the CRA has been amended to comply with the disclosure requirement.
12. A new Note 13 to the CRA has been added, to disclose outstanding obligations under long-term contracts. The notes following have been renumbered.
13. A presentation change has been made to the Housing Revenue Account, moving £0.111 million of interest charged by the General Fund from the Cost of Capital Charge line to the Net HRA income or expenditure on the Asset Management Revenue Account line. This change does not affect the HRA surplus for the year.
14. In the Consolidated Balance Sheet (CBS), I have changed the presentation of Section 106 contributions received from developers, previously reported as Deferred Liabilities. These are now shown as Receipts in Advance within the total of Creditors, in respect of those sums received for revenue purposes; or as Developers' capital contributions unapplied, in respect of those for capital purposes. See the new Note 19 to the CBS. The notes following have been renumbered.
15. In the draft statement, the Housing Tenants debtor figure had been reported net of prepayments. This has now been adjusted to show prepayments within the total for creditors, the change being £0.159 million. See Note 11 to the CBS.
16. The presentation of Note 1 to the CBS has been changed to comply with the disclosure requirement. Note 8 to the CBS includes the figures for 2004/05 for comparison. Note 13 to the CBS now excludes Section 106 commuted sums.
17. I have added Note 23 to the CBS to comply with the disclosure requirement in respect of Euro preparation costs. In addition I have reported the date of issue of the statement to identify the period during which post balance sheet events are considered for inclusion in the statement.
18. I have made corrections to errors of presentation in the Statement of Total Movements in reserves and its notes. Minor changes have also been made to the Cash Flow Statement and the Collection Fund.

COMMENTS OF THE DIRECTOR OF HUMAN RESOURCES

19. There are no human resource implications arising from this report.

RECOMMENDATION(S)

20. That the Council's amended Statement of Accounts for 2005/06 are approved.

GARY HALL
DIRECTOR OF FINANCE

Background Papers			
Document	Date	File	Place of Inspection
Report of Director of Finance to Accounts Committee – Final Accounts 2005/06	29 June 2006		Town Hall

Report Author	Ext	Date	Doc ID
Michael L. Jackson	5490	25 September 2006	Statement of Accounts 2005-06.doc