

| Report of | Meeting | Date |
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| Director of Finance | Accounts Committee | 11 July 2005 |

ACCOUNTS FOR 2004/05

PURPOSE OF REPORT

1. To seek approval of the Council's accounts for 2004/05.

CORPORATE PRIORITIES

2. There are no specific links to the corporate priorities.

RISK ISSUES

3. The report contains no specific risk issues for consideration by Members.

THE ACCOUNTS

4. Attached to this report are the Council's draft accounts for approval under the provisions of the Accounts and Audit Regulations 2003.
5. The Council's financial outturn for the last financial year was reported to the Executive Cabinet on 30 June 2005. The attached accounts present the same information in the form required by the Local Authority Accounting Code of Practice, which is the statutory proper practice for this purpose.
6. In terms of the overall picture and issues that members may find of interest the Council met its target of retaining £1m in working balances for the General Fund by the end of the financial year and to set funds aside for known liabilities for which no funding had been identified. The bulk of this liability related to the implementation of the Job evaluation scheme. Housing Revenue Account working balances also achieved their reported target by the year-end. The revaluation of the pension fund identified that the overall liability on the pension fund increased and consequently there has been a resultant increase in the employers' contribution over the next triennial period of the pension fund.
7. The accounts include a statement on the system of internal control that reports on the Council's arrangements for ensuring that the risk of failure to achieve policies, aims and objectives is managed. It incorporates a list of significant control issues a number of which the Council is already addressing that if dealt with will improve the Council's ability to deliver.
8. There remains one issue outstanding in relation to the closure of the accounts. The matter is purely technical but the effect is on both the General Fund and Housing Revenue Account working balances. The Council's external auditors have revised their advice on how the Council should apportion debt management costs between the General Fund and the HRA. If their view is sustainable then potentially there is a transfer of funds back to the General Fund from the Housing Revenue Account. We are in discussion with them

regarding the validity of this advice and its impact and I will report back should the change be of a material nature

9. As Members will be aware the statutory timetable for accounts productions is being gradually brought forward. Approval at this time is in line with the statutory requirements for next year's accounts representing a significant improvement in timeliness. This has been achieved through a great deal of good planning and hard work from staff in the Accountancy Section and I am sure that Members would join me in expressing their gratitude for these efforts.
10. The formal audit of the accounts has just begun. If any matters arise from this which need to be brought back to this Committee appropriate arrangements will be made.

RECOMMENDATION

11. The Committee are recommended to approve the accounts.

GARY HALL
DIRECTOR OF FINANCE

There are no background papers to this report.

| Report Author | Ext | Date | Doc ID |
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