

AGENDA ITEM

Corporate Affairs Committee

DATE: 26th SEPTEMBER 2007

STATEMENT OF ACCOUNTS 2006/2007

PAUL SLOCOMBE – DIRECTOR OF RESOURCES

PURPOSE OF THE REPORT

1. To seek members approval of the audited 2006/2007 Statement of Accounts.

BACKGROUND AND EXTERNAL CONSULTATION

2. Attached to this report are extracts from the audited Statement of Accounts providing details of the main accounting financial statements. A copy of the full statement has been made available to all members of the Corporate Affairs Committee. A copy of the full statement has been deposited within the Members Library. In addition a copy of the accounts will be made available on the Council's website, once the District Auditor has signed the document.
3. The Statement of Accounts has had the following alterations made from the draft presented to members in June 2007, which are mainly presentational matters, which ensure complete compliance with revised Statement Of Recommended Practice (SORP) requirements and Best Value Accounting Code of Practice (BVACOP).

Alteration	Reason
New SORP guidelines require that grant funded capital schemes are reflected in the revenue income and expenditure account on a gross expenditure and gross income basis. This has the effect of increasing gross expenditure by £14.9 million and the corresponding increase in gross income. The overall impact on the accounts is zero. This is only a presentation issue but increases compliance with recently implemented guidance.	To ensure compliance with Best Value Accounting Code Of Practice (BVACOP) and the SORP.
Note 46 Contingent Liabilities / Assets : The note has been expanded to include a contingent asset disclosure in respect of VAT paid on off street parking. A legal judgement is pending.	Improved disclosure

4. There are no major issues raised by the District Auditor and there was significant progress in the production of the 2006/2007 Statement of Accounts. The draft and final Statements have been produced within the timetable and the quality of the working papers has again improved.
5. **Appendix A - Income and Expenditure Account.** This statement is fundamental to the understanding of the local authority's activities, it reports the net cost for the year of *all* the functions/services for which the authority is responsible, and demonstrates how that cost has been financed from general government grants and income from local taxpayers.
6. **Appendix B - Statement of Movement on the General Fund Balance.** The purpose of the statement is to provide reconciliation between the statutory requirement for raising council tax and the technical accounting format of the Income and Expenditure Account.
7. **Appendix C - Statement of Total Recognised Gains and Losses.** This Statement summaries all the gains and losses on movements on the headings within the Balance Sheet together with the final balance on the Income and Expenditure Account to demonstrate the total movement in the authority's net worth for the year.
8. **Appendix D - Balance Sheet.** This statement is important to the understanding of the local authority's financial position as at the 31st March 2007. It reports details of, the value of assets owned by the council, the level of creditors (amounts owed by the Council), the level of debtors (amounts owed to the Council) and the level of provisions and balances maintained by the Council.

9. **Appendix E - Cash Flow Statement.** The statement summarises the revenue and capital cash payments and cash receipts made by the Council to/and from third parties.
10. **Appendix F – Statement of Internal Control.** The Statement of Internal Control reports on the key financial controls in operation within the Council.

OPTION APPRAISAL/RISK ASSESSMENT

11. Not applicable to this report.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

12. There are no recommendations contained within the Audit report, which require the amendment to the draft accounts of the Council.

RECOMMENDATIONS

13. It is recommended that:

Members approve the revised 2006/2007 Statement of Accounts.

REASONS

14. The recommendation is supported by the requirement to comply with the 2004 Accounts and Audit Regulations, which require the audited Statement of Accounts to be approved by the 30th September 2007.

BACKGROUND PAPERS

The following papers were used in the preparation of the report: -

- Draft Statement of Accounts 2006/2007
- Report to Corporate Affairs Committee 27th June 2007

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