

Subject: Statement of Accounts 2009-2010 **Status:** For Publication

Report to: Accounts Committee **Date:** 27th September 2010

Report of: Finance Manager

Portfolio

Holder: Finance and Resources

Key Decision: Yes / No

Forward Plan General Exception Special Urgency

1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek Member approval of the Statement of Accounts for the year ended 31st March 2010 and within this acknowledge receipt of the audited Accounts from the subsidiary, Rossendale Transport Ltd.
- 1.2 The Council has a statutory duty to approve the Accounts by 30th September 2010 following any recommendations arising from the external audit.

2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report impact directly on the following corporate priorities and associated corporate objective.
- Delivering Value for Money Services
Rigorous monthly financial monitoring and robust quality assurance processes during the closure of the accounts have improved the quality of working papers and led to very few audit amendments.

3. RISK ASSESSMENT IMPLICATIONS

- 3.1 All the issues raised and the recommendation(s) in this report involve risk considerations as set out below:
- *Level of General Fund Reserves:* The Council must set a level of General Fund reserves based on an assessment of the potential risks to which the council is exposed. The suggested level of General Fund balances is set in the Medium Term Financial Strategy at between £750k and £1m. The £57k contribution to General Fund Reserves during 2009/10 means that the Reserve has reached £999k at 31st March 2010

- *Contingent Assets and Liabilities*: An assurance will be submitted to the Members at the Committee to confirm the current position with regards to Contingent Assets and Liabilities, Note 32 to the Core Statements on page 48.

4. BACKGROUND AND OPTIONS

4.1 The audited Statement of Accounts for 2009/10 is attached as Appendix 1.

4.2 Following the audit there have been some minor changes to the Core Financial Statements, a list of which have been attached at Appendix 2. The amendments fall into two categories –

4.2.1 Text errors/omissions and disclosures – there have been several minor text amendments and some additional disclosures.

4.2.2 Financial corrections –

- there has been a correction to the Council's income and expenditure account to remove the second anticipated Performance Reward Grant (PRG) of £478k. Following government grant reduction announcements in June, the accounts were changed to only include the PRG actually received in April 2010 and not accrue for the second element expected later in 2010/11. This prudent view had been executed everywhere except the Culture, Environment and Planning section of the Income and Expenditure Account where receipt and subsequent transfer to a reserve still remained. The removal of these two items had not changed the bottom line figures for the Council's Income & Expenditure Account or the Balance Sheet.
- There has also been a correction to the Sundry Debtors and Provision for impairment figures at Note 19 on page 38. The debtor for housing benefit overpayments has been reduced by £35k and the corresponding provision for impairment has also been reduced by the same figure. Therefore there is no change to the net debtor figure or the rest of the Accounts.

4.3 Members are also asked to note that the Group Accounts reflect the final audited position of the subsidiary, Rossendale Transport Ltd, as presented to the company's Annual General Meeting. Some changes were made to the figures included within the Council's draft Statement of Accounts in June. The company returned a loss in the year of £9k, after tax, and have net assets of £2.347m. Note 16 on page 37 and the Group Accounts have been amended.

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

5.1 As previously stated in June, the Statement of Accounts for 2009/2010 indicate further strengthening of the Council's financial position with the General Reserve consolidated by a further £57k to £999k at the 31st March 2010. There have been no amendments to this position arising from the audit.

6. MONITORING OFFICER

- 6.1 The Accounts and Audit Regulations 2003 state that the Council is required to approve the audited Statement of Accounts by 30th September 2010.

7. HEAD OF PEOPLE AND POLICY (ON BEHALF OF THE HEAD OF PAID SERVICE)

- 7.1 There are no direct Human Resources implications.

8. CONCLUSIONS

- 8.1 That the audited Statement of Accounts for the year-ended 31st March 2010, as presented at Appendix 1, are fit for Member approval.

9. RECOMMENDATION(S)

- 9.1 That the Council's amended and audited Statement of Accounts for the year-ended 31st March 2010, as presented, are approved.

10. CONSULTATION CARRIED OUT

- 10.1 Audit Commission

11. COMMUNITY IMPACT ASSESSMENT

Is an Community Impact Assessment required ~~Yes~~ / No
Is an Community Impact Assessment attached ~~Yes~~ / No

12. BIODIVERSITY IMPACT ASSESSMENT

Is a Biodiversity Impact Assessment required ~~Yes~~ / No
Is a Biodiversity Impact Assessment attached ~~Yes~~ / No

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Background Papers	
Document	Place of Inspection
Final Accounts working papers	Finance Department, Futures Park, Room 222