

CONSTITUTION COMMITTEE – 24TH AUGUST 2004

REPORT OF THE DIRECTOR OF RESOURCES

STATEMENT OF ACCOUNTS FOR 2003/04

PURPOSE

1. The purpose of this report is to present the 2003/04 statement of accounts for approval.

BACKGROUND

2. The Accounts and Audit Regulations 2003 require that the formal statement of accounts is approved by the Authority within five months of the financial year end, i.e. by 31st August. The format of the Statement of Accounts is largely dictated by the Accounting Code of Practice on Local Authority Accounts.
3. The Service classification within the Consolidated Revenue Account is presented in line with CIPFA's Best Value Accounting Code of Practice and thus is not comparable to the format of the council budget. In addition, service expenditure includes capital charges and other 'below the line' items such as central support costs, thus preventing a direct comparison with the revenue outturn reported to Cabinet and Scrutiny.
4. This year there have been changes to the regulations that govern the process of approving the accounts and their contents. The main changes are:-
 - a) In response to wider focus on corporate governance, the Accounts and Audit Regulations require the Chairman of the Constitution Committee to sign the statement on Internal Control in addition to the accounts.
 - b) The statement of accounts includes further disclosure on retirement benefits including the change in pension fund assets and liabilities between 2002/03 and 2003/04. The 2003/04 accounts comply fully with Financial Reporting Standard 17. (Retirement benefits).
5. In addition, the requirements of Auditing Standard (SAS610) introduced last year require the Audit Commission to report, if they arise, certain issues to members prior to signing the accounts. The type of issues include non standard audit opinions and "non-trifling" compliance issues where the accounts have not been adjusted. This raises the possibility of a further report to Constitution Committee if any issues are identified during the audit.

6. The accounts must be published by 30th November preferably with an auditor's certificate or opinion. This is expected by the middle of September. The accounts were on deposit for public inspection from 26th July to 20th August 2004.

EQUAL OPPORTUNITIES IMPLICATIONS

None.

RECOMMENDATIONS

The Committee is recommended to approve the Statement of Accounts for 2003/04.

CIRCULATION UNDER SENSITIVE ISSUES PROCEDURE

None.

BACKGROUND PAPERS

NONE.

OFFICER TO CONTACT

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CDT/DJP/Const. Cttee 24.8.04