

CONSTITUTION COMMITTEE – 17TH SEPTEMBER 2003

REPORT OF THE DIRECTOR OF RESOURCES

STATEMENT OF ACCOUNTS FOR 2002/03

PURPOSE

1. The purpose of this report is to present the 2002/03 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 six months of the financial year end, i.e. by 30th September. 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 now 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) A new Auditing Standard (SAS610) requires the Audit Commission to report, if they arise, certain issues to those charged with governance 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.
 - b) This year the Director of Resources has signed a Statement of Internal Financial Control. This statement covers the 2002/03 financial year and shows that the system of financial control was operating effectively during this period.
 - c) This year in response to wider focus on corporate governance, the new Accounts and Audit Regulations require the Chairman of the Constitution Committee to sign the accounts following approval by the Committee.

- d) The statement of accounts includes further disclosure on retirement benefits including the change in pension fund assets and liabilities between 2001/02 and 2002/03. Full adoption of Financial Reporting Statement 17 will be required for the 2003/04 accounts.
4. The accounts must be published by 31st December preferably with an auditor's certificate or opinion. This is expected by early November. The accounts are on deposit for public inspection from 1st to 26th September 2003.

EQUAL OPPORTUNITIES IMPLICATIONS

None.

RECOMMENDATIONS

The Committee is recommended to approve the Statement of Accounts for 2002/03.

CIRCULATION UNDER SENSITIVE ISSUES PROCEDURE

None.

BACKGROUND PAPERS

NONE.

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CDT/DJP/Const. Cttee 17.9.03