

**Subject:** Final Annual Report and  
Statement of Accounts -  
2005/06

**Status:** For Publication

**Report to:** Accounts Committee

**Date:** 28<sup>th</sup> September 2006

**Report of:** The Head of Financial Service

**Portfolio**

**Holder:** Finance & Risk Management

**Key Decision:**

**YES**

NO/YES (Please delete)

Forward Plan  
*Relevant Box*

General Exception

Special Urgency

“X” In

## 1. PURPOSE OF REPORT

- 1.1 The purpose of the report is to seek Member approval of the final audited Statement of Accounts and Annual Report for the year ended 31<sup>st</sup> March 2006. The Council has a statutory duty to approve the audited accounts by 30<sup>th</sup> September.

## 2. CORPORATE PRIORITIES

- 2.1 The matters discussed in this report are linked to and support the following corporate priorities:
- *Financial Management: The Statement of Accounts show an improving financial position as demonstrated by: increase reserves and cash balances*

## 3. RISK ASSESSMENT IMPLICATIONS

- 3.1 All the issues raised and the recommendation in this report involves risk considerations as set out below:
- *Level of General Fund Reserves: The Council must now set a level of General Fund reserves based on an assessment of potential risk which the council is exposed to. The council through its Medium Term Financial Strategy has made the assessment that the level of General Fund balances should be in the region of £500k to £750k.*

- *External Audit.* The District Auditor has stated that the accounts present fairly the financial position of the Authority and its income and expenditure for the year.

#### **4. BACKGROUND AND OPTIONS**

- 4.1 The Statement of Accounts for 2005/06 are attached as Appendix 1
- 4.2 The timetable for final Member approval has been brought forward one calendar month compared to 2004/05, Council officers are therefore working to a more demanding timetable.
- 4.3 There have been no significant changes to final reserves since the draft presented to Members in June 2006. However there have been a number of presentational changes. These are in the main of a technical nature and amongst other things include:
- 4.3.1 Group accounts including Rossendale Transport Limited subsidiary (Coachways Limited) and notes to the Group accounts.
- 4.3.2 Treatment of Housing as a discontinued service.
- 4.3.3 Reclassification of assets to non-operational assets, being those not in use as at 31<sup>st</sup> March 2006 (eg Rawtenstall Town Hall)
- 4.3.4 Government grants deferred written down to match depreciation on intangible assets.
- 4.3.5 Auditors opinion and certificate extended to include a conclusion on the arrangements for securing economy, efficiency and effectiveness in the use of resources.
- 4.3.6 Inclusion of contingent liabilities and assets notes.
- 4.3.7 Housing Capital Charges reduced due to changes in the stock valuations, though no impact on revenues.
- 4.4 The above main revenue accounts therefore continue to show the following balances as at 31<sup>st</sup> March 2006:

	£000s
• GF	£647
• HRA	£1,098

- 4.5 As previously reported, the Housing Revenue Account, following the Housing Stock Transfer, must remain open for a further 12 months; thereafter any remaining balance can be transferred into General Fund on 1<sup>st</sup> April 2007. There may still be further legitimate costs to HRA during 2006/07 though these are not expected to be material.

#### **5. COMMENTS OF THE HEAD OF FINANCIAL SERVICES**

- 5.1 The financial considerations are reported in the main body of the report.

5.2 The statement of accounts indicates a successful recovery from the position the Council was in 3 years previously. General reserve have more than achieved the minimum target levels set at that time and has been achieved alongside an increase in service performance.

## 6. COMMENTS OF THE HEAD OF LEGAL AND DEMOCRATIC SERVICES

6.1 The Accounts and Audit Regulations (2003) states that the Council is required to approve the final audited accounts by 30<sup>th</sup> September 2006.

## 7. COMMENTS OF THE HEAD OF HUMAN RESOURCES

7.1 There are no direct Human Resources implications.

## 8. CONCLUSION

8.1 That the draft accounts as presented are fit for Member approval and final audit by the independent external auditor

## 9. RECOMMENDATION(S)

9.1 That the Council's Annual Report and Statement of Accounts as presented are approved.

## 10. CONSULTATION CARRIED OUT

10.1 Executive Director of Resources

10.2 Members

10.3 Audit Commission

<b>Contact Officer</b>	
Name	Janice Crawford
Position	Finance Manager
Service / Team	Finance
Telephone	01706 252416
Email address	janicecrawford@rossendalebc.gov.uk

<b>Background Papers</b>	
Document	Place of Inspection
Year end accounts working papers	Finance Department