

Subject: Statement of Accounts 2007-2008 **Status:** For Publication

Report to: Accounts Committee **Date:** 30th September 2008

Report of: The Head of Financial Service

Portfolio

Holder: Finance and Resources

Key Decision: 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 2008. The Council has a statutory duty to approve the audited Accounts by 30th September 2008.

2. CORPORATE PRIORITIES

2.1 The matters discussed in this report impact directly on the following corporate priorities and associated corporate objective.

- Well Managed Council (Improvement, Community Network)
The Statement of Accounts shows an improving financial position as demonstrated by the level of cash-back Earmarked Reserves and General Fund Reserves.

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 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. The General Fund Balance at the 31st March 2008 was £813k. Of this £63k is attributable to services in the coming year under the “roll-over of

un-used budget” provisions. This £63k must be used for specific one-off revenue projects which do not incur an on-going revenue burden. *There have been no changes to these figures as a result of audit process.*

- *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.
- *External Audit:* The 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 audited Statement of Accounts and Annual Report for 2007/08 – “Moving Forward”, is attached as Appendix 1.

4.2 There have been some changes to the Core Financial Statements

4.2.1 **Income & Expenditure Account** changes relate principally to the treatment of impairments and the classification of capital receipts between gains/losses on disposal of assets and other income.

4.2.1.1 £149k of impairments have been charged through to the Income & Expenditure and the total impairments of £244k - this is then removed through the Statement of Movement on the General Fund Balance (see Note 13)

4.2.1.2 £119k of insurance receipts have been removed from Gains/Loss on disposals and moved into Net Costs of Services – this is then removed through the Statement of Movement on the General Fund Balance (see Note 13)

4.2.1.3 Right to Buy receipts have been removed from Gains/Loss on disposals and moved into Other income– this is then removed through the Statement of Movement on the General Fund Balance (see Note 13)

4.2.2 The above resulted in a net £23k change to the Income & Expenditure Account which is reversed through the **Statement of Movement on the General Fund Balance** (see **Note 13**) – having no net effect on the General Fund Balance.

4.2.3 There has been an amendment to the **Statement of Total Recognised Gains and Losses**, reflecting the above net change in the I&E and also amending the actuarial losses from £9,578k to £9,555k

4.2.4 In the **Balance Sheet** the loans at year-end to Rossendale Leisure Trust have been moved from Investments to Long Term Debtors and Current Debtors.

4.2.5 Over all these changes have had no effect on the General Fund Balance or the net equity of the authority.

4.3 The changes at 4.2 above have then been reflected in the **Group Accounts**.

4.4 The Council’s subsidiary Rosendale Transport Ltd (RTL) made a profit on ordinary activities after tax of £185k and equity shareholders funds are £1,754k

as at 31st March 2008. RTL's accounts were approved on 10th July 2008 at its Annual General Meeting.

4.5 The Council has included the value of RTL at its historical cost as it has not been possible to ascertain a current fair value (see notes 20 and 41)

4.6 There have been amendments and additions to the disclosure notes as a result of the audit

4.6.1 The **Accounting Policies**

4.6.1.1 The Accounting Policies has had a section added relating to financial instruments.

4.6.2 The **Notes to the Core Statements**

4.6.2.1 **Note 41** added to give greater detail about the Council's position with regard to financial instruments.

4.6.2.2 **Note 42** added to explain the Council's involvement in the Local Area Agreement.

4.6.2.3 **Note 9** amended to include payments relating to elections

4.6.2.4 **Note 11** amended

4.6.2.5 **Note 23** amended to reflect movement 4.2.4 above

4.6.2.6 **Note 28b** amended to reflect changes made at 30th June meeting to include revaluation of the Town Hall and Henrietta Street.

4.6.2.7 **Note 38** amended provision for Bad Debt Provision figure – error on this line only

4.6.2.8 **Note 40** amended Benefits grants and Redistributed NNDR pool – these two figures had been swapped over in error.

4.7 The Annual Report has now been added to the front of the document, combining priorities for 2007/08 with outcomes achieved.

COMMENTS FROM STATUTORY OFFICERS:

5. SECTION 151 OFFICER

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

5.2 The Annual Report, now added to the front of this Statement of Accounts, reflects the services delivered during the year and achievements against the Council's priorities.

6. MONITORING OFFICER

6.1 The Accounts and Audit Regulations 2003 state that the Council is required to approve the final audited Statement of Accounts by 30th September 2008.

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

7.1 There are no direct Human Resources implications.

8. CONCLUSIONS

8.1 That the audited accounts, as presented, are fit for Member approval.

9. RECOMMENDATION(S)

9.1 That the results of the Council's subsidiary Rosendale Transport Limited for the year ended 31st March 2008 are noted and accepted.

9.2 That the Council's Annual Report and Statement of Accounts, together with the Annual Governance Statement as presented are approved.

10. CONSULTATION CARRIED OUT

10.1 Public Inspection

10.2 Audit Commission

11. EQUALITY IMPACT ASSESSMENT

Is an Equality Impact Assessment required ~~Yes~~ / No

Is an Equality 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