
REPORT TO:	FINANCE AND MANAGEMENT COMMITTEE	AGENDA ITEM: 10
DATE OF MEETING:	21 st JULY 2005	CATEGORY: OPEN
REPORT FROM:	DIRECTOR OF CORPORATE SERVICES	
MEMBERS' CONTACT POINT:	KEVIN STACKHOUSE (595811)	DOC: u/ks/final accounts/summary report 0405
SUBJECT:	STATEMENT OF ACCOUNTS 2004/05	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: FM 08

1.0 Recommendations

- 1.1 That the Council's Statement of Accounts for the year ended 31 March 2005 (subject to Audit) be approved.
- 1.2 That the Committee authorises the Chairman of the Committee to sign the accounts in accordance with the Accounts and Audit Regulations 2003.
- 1.3 That the Committee authorises the Leader of the Council and Chief Executive to sign the Statement on Internal Control.

2.0 Purpose of Report

- 2.1 To submit the Council's annual accounts and financial statements (subject to Audit) for 2004/05. This is in accordance with provisions made in the Accounts and Audit Regulations 2003.

3.0 Detail

Statutory Requirements

- 3.1 The Account and Audit Regulations 2003, stipulate that the council's annual accounts must be considered and approved by an appropriate committee. For 2004/05, this must be completed by 31st July 2005. In future years, this date will be brought forward to 30th June.
- 3.2 This year is the earliest again that the Council has closed its accounts and prepared the appropriate statements. It is another good step forward in preparing itself for the more challenging deadline of future years.
- 3.3 Bringing the timetable forward produces other benefits with the Council having information on the anticipated out-turn position as early as possible.
- 3.4 However, closing the accounts earlier does require officers to estimate certain figures. For example the final housing subsidy settlement is not finalised until after July.

- 3.5 The Regulations also require the Chair of the relevant committee to sign the Accounts. This indicates that Members have considered them in accordance with the regulations.

Statement of Internal Control

- 3.6 Furthermore, the Regulations also require that the accounts include a statement on how the Council ensures that it provides adequate systems, policies and procedures around internal control and it ensures that they are effective and kept up to date.
- 3.7 This is a new requirement for 2004/05. The statement must be signed by the Council's Leader and most senior officer (the Chief Executive). Essentially the Statement of Internal Control explains the mechanisms that the council has in place to ensure that:
- Business is conducted in accordance with the law and proper standards.
 - Public money is safeguarded and properly accounted for.
 - Functions are exercised as effectively as possible.
 - Arrangements are in place to manage risk.
- 3.8 It is recognised that Councils are constantly developing procedures in these areas. The action plan in Section 5 of the Statement sets out the developmental areas in order to strengthen internal control at the Council.
- 3.9 This reflects issues that have previously been highlighted in the CPA and in the last audit letter. The Council will be expected to make and demonstrate progress in these areas during 2005/06.

The Council's Accounts and Financial Statements

- 3.10 A copy of the Council's Statement of Accounts for the year ended 31 March 2005 is attached to this report. The first part of the Statement explain how the accounts are set out and provide some background and overview of the Council's financial standing.
- 3.11 Generally, the various statements that follow are technical in nature and follow regulations and best professional practice.

External Audit

- 3.12 The accounts are subject to Audit. The Audit Commission are scheduled to commence their Audit of the Accounts in August 2005, and are required to issue their opinion by 31st October 2005.
- 3.13 In addition the Council's Chief Finance Officer is required to provide a Letter of Representation to the External Auditors. This confirms that there are no significant events that have occurred after the end of the accounting period that will materially affect the Accounts for 2004/05.
- 3.14 The Council's external auditors have requested that this letter be provided at the end of their audit. This will be the subject of a subsequent report to Committee.