

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE, 30 JUNE 2009

REPORT OF THE STRATEGIC FINANCE OFFICER

This matter is the responsibility of Executive Councillor Henley (Leader of the Council)

STATEMENT OF ACCOUNTS 2008/09

EXECUTIVE SUMMARY

The Annual Statement of Accounts for 2008/09 is required to be approved by the Corporate Governance Committee. To promote debate on the Annual Accounts, the Strategic Finance Officer and Temporary Accountant will make a brief presentation on the Accounts and will be available to answer any questions that the Committee may have.

1 Purpose

- 1.1 To obtain the Committee's approval of the annual Statement of Accounts as signed by the Strategic Director.

2 Background

- 2.1 Under the Accounts and Audit Regulations the Statement of Accounts is required to be approved by a resolution of a nominated committee. The current constitutional arrangements allocate this responsibility to the Corporate Governance Committee. In addition to being signed by the Council's S151 officer (the Strategic Director), the annual accounts have to be signed by the Chair of the Council Committee that approves those accounts. This responsibility therefore falls upon the Chair of this Committee.
- 2.2 The existing legislation requires the 2008/09 Statement of Accounts to be formally approved by Members by the end of June.
- 2.3 The 2008/09 Accounts presented this evening are subject to audit, which will shortly be undertaken by the Audit Commission. The Accounts presented are complete, subject to the Auditors Opinion. The Council's external auditor will be present during the debate on the accounts.

3 Statement of Accounts

- 3.1 The format of the Annual Accounts has not changed substantially from the previous year with only some technical accounting amendments when compared to last year. These changes do not have an impact on the "bottom line" of the Council but are necessary to ensure compliance with the mandatory CIPFA Statement of Recommended practice on Local Authority Accounting.

3.2 Members' attention is drawn to the fact that there has been a change to the Income and Expenditure Account since the outturn report was presented arising from a technical issue concerning the phasing of payments for the Transformation Project. The agreed payment phasing was changed after the 2008/09 budget was approved with the result that £372,000 more was spent in 2008/09 than was included in the budget. Conversely £372,000 less than budget will be spent in 2009/10. When the outturn report was prepared it was assumed that this timing difference could be treated as a prepayment and would not therefore impact on the outturn. In the event it has not proved possible to obtain sufficiently robust evidence to support the prepayment and it is therefore necessary to charge the £372,000 to the 2008/09 Income and Expenditure Account. In order to retain the level of balances at 31st March 2009 it is proposed to transfer £372,000 to General Fund Balances from the Core Council Review Reserve. A compensating transfer from General Fund Balances back to the Core Council Review Reserve will be made in 2009/10. It should be emphasised that the position over the two years is entirely neutral.

3.3 The Strategic Finance Officer and Temporary Accountant will make a brief presentation on the main changes and highlights shown in the Annual Accounts and will be available to answer queries which the Committee may have. **However as the Annual Accounts are a largely technical document it would be useful to receive advance notification of particular questions in order that a comprehensive answer can be provided at the meeting.** Questions should be addressed to the Temporary Accountant who will also be available to provide further information and clarification at any time prior to the meeting.

4 **Notice of Conclusion of Audit**

4.1 Following the conclusion of Audit, this Committee will be informed of any significant amendments arising. If there are no significant amendments, there will be no further report on the 2008/09 Statement of Accounts.

5 **Effect on Corporate Priorities**

5.1 Being a corporate document detailing all of the financial activities of the Council the Statement of Accounts for 2008/09 impacts on all corporate priorities.

6 Recommendations

6.1 The Committee is recommended to:

a) Approve the Statement of Accounts for 2008/09.

b) Approve transfers of £372,000 from Core Council Review Reserve to General Fund Balances in 2008/09 and £372,000 from General Fund Balances to Core Council Review Reserve in 2009/10.

c) Make the following determinations in respect of the year ended 31 March 2009:-

1. Section 42(2)(g)

That £4,968k of expenditure for capital purposes, which was financed by grant, be capitalised.

2. Section 60(2)

That £870k of useable capital receipts be applied to meet capital expenditure.

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