

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE, 27 JUNE 2007

REPORT OF THE FINANCIAL SERVICES MANAGER

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

STATEMENT OF ACCOUNTS 2006/07

EXECUTIVE SUMMARY

The Annual Statement of Accounts for 2006/07 is required to be approved by the Corporate Governance Committee. To promote debate on the Annual Accounts, both the External Auditor and members of the Financial Services Unit will do presentations 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 2006/07 Statement of Accounts to be formally approved by Members by the end of June.

- 2.3 The 2006/07 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 and will do a brief presentation on the role of External Audit in the process.

3 Statement of Accounts

- 3.1 Recognising that many Members of the Committee have only recently been appointed a training session on the Statement of Accounts took place on 21 June. This outlined the Committee's responsibility and the control mechanisms in place to enable Members to have assurance on the figures presented.

- 3.2 The format of the Annual Accounts has changed substantially from previous years with changes to both presentation of the Statements

themselves and some technical accounting amendments. Neither of these changes 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.

- 3.3 The Principal Accountant and Financial Services Manager will do 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.**

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 2006/07 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 2006/07 impacts on all corporate priorities.

6 **Recommendations**

- 6.1 The Committee is recommended to:

a) Approve the Statement of Accounts for 2006/07.

b) Make the following determinations in respect of the year ended 31 March 2007:-

1. Section 42(2)(g)

That £2,322k of expenditure for capital purposes, which was financed by grant, be capitalised.

2. Section 60(2)

That £690k of useable capital receipts be applied to meet capital expenditure.

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