

BODY: CABINET
DATE: 23 June 2010
SUBJECT: Annual Accounts 2009/10
REPORT OF: Chief Finance Officer

Ward(s): All

Purpose: To present the annual accounts and Final Outturn for 2009/10.

Contact: Alan Osborne, Chief Finance Officer, Financial Services Telephone Number 01323 415149.

Recommendations: Members are asked to -

- i) note the variances from the provisional outturn report.
- ii) recommend that the Audit Committee on 30 June 2010 approves the statement of accounts.

1.0 Introduction

1.1 A report to the Cabinet meeting on 26 May 2010 set out the provisional outturn for 2009/10. The forecast was for a credit variance of £64,000 on service expenditure plus £237,000 credit for one off adjustments and the resultant general fund reserve at 31 March 2010 of £4.676m.

1.2 Since that time the work on closing the accounts has now been completed and the final outturn confirmed. The outturn will form part of the statement of accounts to be presented to the Audit Committee on 30 June 2010.

2.0 General Fund Final Outturn 2009/10

2.1 The final outturn, as shown at Appendix 1, shows a net under spend of £408,000 before transfer to reserves. The changes since the previous report have been as a result of a review of the housing benefits overpayments debtors account, a further technical accounting adjustment clearing up some balance sheet accounts and a few minor service accruals. These are shown in detail on the table at Appendix 1.

2.2 The transfer to the general fund reserve was £1,822,000 which represents the general fund underspend plus an amalgamation of a number of earmarked reserves as set out in the budget

strategy approved in July 2009 and again as part of the budget setting in February 2010. This figure agrees to the net movement on the general fund shown on the statement of movement on general fund balance within the statement of accounts 2009/10.

- 2.2** The content of the accounting statements and notes differ from budget reports submitted to Cabinet during the year, in that Income and Expenditure is analysed according to the statutory national groupings set out in CIPFA's Best Value Account Code of Practice (BVACOP), rather than reflecting the management organisation of the Council.

3.0 Housing Revenue Account

- 3.1** There have been no changes to the HRA figures previously reported to the Cabinet on 26 May 2010.

4.0 Capital Expenditure

- 4.1** Capital expenditure has increased by £800,000 due:
- late accruals on various schemes £420,000 (council dwellings, Towner and Ratton Road)
 - capital expenditure on behalf of the Council by Serco £410,000.
 - reclassification of £30,000 expenditure to revenue .

The overall effect of this has been to increase the final outturn on capital to £23,291,000.

There is no effect on the overall capital resources of the Council.

5.0 Statement of Accounts

- 5.1** The Accounts and Audit Regulations 2003 require the authority to approve formally the Statement of Accounts for the financial year ending 31 March 2010 by 30 June 2010. This responsibility has been delegated to the Audit Committee, which is due to meet on the 30 June 2010. The Cabinet is asked to recommend that the Audit Committee approves the Statement of Accounts for 2009/10.

- 5.2** The draft statement of accounts is circulated to members separately to this report, however an overview and key points of interest is attached at Appendix 2.

- 5.3** Local Government accounting is transitioning from UK Generally Accepted Accounting Practice (UK GAAP) to the International Reporting Standards (IFRS) for 2010/11, there are however three major changes to the 2009/10 accounts concerning collection of council tax, collection of non-domestic rates and private finance initiatives or similar contracts. The detail of these changes was reported to the Audit Committee on 15 March 2010.

- 5.4** There is a new statutory requirement to disclose by name all

senior officers with an annual salary over £150,000 (this will not apply to this authority) and to disclose by post title for 'senior managers' with annual salaries, including fees, allowances, expenses and pension payments, between £50,000 and £150,000. 'Senior Manager' is defined as the 'statutory officers' (so automatically include the Head of Paid Service, the Monitoring Officer and the Chief Financial Officer) and other officers that essentially make up the Corporate Management Team and report to the Chief Executive. This disclosure will include a comparison with the previous year and therefore reflects the changes made to the management structure during 2009.

5.5 The external audit of the Council's accounts is due to commence on Monday 26 July and the accounts are open for public inspection between 1 July and 28 July 2010.

6.0 Summary

6.1 The 2009/10 accounts have now been finalised and resulted in a credit movement in the final outturn of £107,000 since the provisional outturn was reported to the Cabinet on 26th May. The final outturn for 2009/10 was therefore a total service under spend of £233,000 and one off adjustment credits of £175,000.

6.2 The total movement on the general fund balance was £1,822,000 which represented the general fund underspend and an amalgamation of other earmarked reserves. The resultant balance on the general fund as at 31 March 2010 is £4.539m

6.3 There is a requirement to approve the Statement of Accounts 2009/10 by 30 June 2010. This responsibility has been delegated to the Audit Committee and members are asked to recommend that the Audit Committee approves the Statement of Accounts.

Background Papers:

The Background Papers used in compiling this report were as follows:

CIPFA Statement of Recommended Practice (SORP) for local authority accounting 2009.

Cabinet Report 26 May 2010: Finance Matters – Budget 2009/10 Provisional Outturn.

Audit Committee Report 15 March 2010: International Financial Reporting Standards (IFRS).

2009/10 Final Accounts working papers.
