

<b>TITLE</b>	: STATEMENT OF ACCOUNTS 2002/03		
<b>TO / ON</b>	: AUDIT SUB-COMMITTEE	2nd DECEMBER, 2003	
<b>BY</b>	: DIRECTOR OF FINANCE & E-GOVERNMENT		
<b>STATUS</b>	: FOR PUBLICATION		

**1.0 TYPE OF DECISION**

1.1 What type of decision is to be taken:-

EXECUTIVE DECISION				COUNCIL DECISION
Key	-	Non Key	-	Yes (delegated to the Sub-Committee)

1.2 If a key decision, has it been included in the Forward Plan

Inclusion in Forward Plan	No	Date of Plan	N/A
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**2.0 SUMMARY**

The report provides Members with the final version of the Authority's Statement of Accounts for the financial year ended 31 March, 2003.

The Accounts attached have been up-dated to reflect a number of amendments have been made to the Accounts following the completion of the audit by the Audit Commission.

The report is to be considered along with the SAS610 Financial Statement report which will be presented by the Audit Commission as part of this meeting.

### 3.0 **OPTIONS AND RECOMMENDED OPTIONS (with reasons)**

Members are recommended to:

- Approve the amendments to the Accounts recommended by the Audit Commission
- Approve the final version of the Statement of Accounts for the 2002/03 financial year (attached as Appendix A to the report) in line with the provisions of the Accounts and Audit Regulations 1996 (as updated by the 2003 Regulations);
- Note the matters and issues arising from the audit and contained within the SAS610 Financial Statement report (also on the agenda) presented by the Audit Commission

### 4.0 **THIS REPORT HAS THE FOLLOWING IMPLICATIONS**

#### **Corporate Aims**

The successful performance of the Council's financial resources supports the delivery of its corporate aims and objectives.

#### **Policy Framework**

The final position of the Council's financial resources will impact on the achievement of all the authority's policies.

#### **Statement by Monitoring Officer**

The production of the Authority's statutory accounts is a requirement of the Local Government Act 1972 and has been undertaken in compliance therewith and the Council's Standing Order 56. The report accords with the Council's Policy and Budget Framework and has been produced in accordance with all relevant Statutory Guidance and Codes of Practice.

#### **Statement by Director of Finance and E-Government**

The Statement of Accounts reflects the Authority's financial performance during 2002/03 and helps to shape budget strategy in future years.

#### **Human Resource IT/Land and Property Implications**

There are no direct Human Resource / IT / land and Property implications arising from this report.

#### **Wards/Area Boards affected**

All

**Scrutiny Panel's Interest**

Falls under the remit of the Resource Scrutiny Panel.

**Consultations**

No direct consultations took place. The Accounts were available for public inspection for 20 working days from 11th August, 2003 to 5th September, 2003 at Bury Town Hall.

**Call-in**

There is no indication that the report will be called in.

**Briefings**

Executive Members/ Chair	Yes	Chief Executive	Yes
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**5.0 INTRODUCTION**

- 5.1 Under the terms of the Accounts and Audit Regulations 1996 each year the Authority is required to produce, and have approved, the Statement of Accounts before 30 September following the Balance Sheet date.
- 5.2 Once the Accounts have been approved they are subject to audit by, in our case, the Audit Commission and a final copy of the Accounts containing the auditor's certificate and opinion must then be published on or before 31<sup>st</sup> December.
- 5.3 The 2002/03 draft Accounts were approved by this Sub-Committee on 31<sup>st</sup> July, some two months ahead of the statutory deadline.
- 5.4 For the 2002/03 financial year there is an important development in the responsibilities of auditors in relation to any misstatements that they discover in the course of their work. Statement of Auditing Standard number 610 "*Communication of Audit Matters to those Charged with Governance*" now requires auditors to communicate to Members **all** misstatements that have been advised to officers but not adjusted for.
- 5.5 It was agreed at the Audit Sub Committee meeting on 31 July that any misstatements and matters / issues arising would be communicated at this meeting of the Audit Sub-Committee following completion of the audit.
- 5.6 The principal purposes of the communication with Members are for the auditors to ensure that there is a mutual understanding of the scope of the audit and the respective responsibilities of the auditors and Members; to share information to assist both the auditors and Members to fulfil their respective responsibilities; and to provide Members with constructive observations arising from the audit process.

## **6.0 AMENDMENTS TO THE ACCOUNTS**

- 6.1 The Audit Commission (the auditors) have identified a number of amendments that they have recommended the authority should make to the Accounts and these are shown in the section entitled Auditors' Report and in Appendix 3 of the paper considered under the previous item on the Sub-Committee's agenda.
- 6.2 The items identified by the auditors relate primarily to technical accounting entries that were made after the draft Accounts had been brought to the Sub-Committee in July or to the need to re-classify items on the face of the Accounts.
- 6.3 Having discussed the suggested amendments with the auditors I am happy to agree to their inclusion within the Accounts and the final version of the Statement of Accounts for 2002/03, reflecting the amendments is attached at Appendix A to this report. **Members are therefore recommended to approve these Accounts.**
- 6.4 It is important that Members appreciate that none of the amendments affect the authority's outturn (as reported to the Executive) or the level of the General Fund balances.

## **7.0 ISSUES**

- 7.1 In considering the Auditors' Report Members' attention is also drawn to the comments about the early production of the Accounts. In my report to the Sub-Committee on 31<sup>st</sup> July I stressed that this close-down process had been treated as a "dry run" in order to iron out any practical difficulties that might arise. I can assure Members that positive action will be taken in respect of all of the recommendations made in the Auditors' Report and in respect of these lessons learned.
- 7.2 It is also worth informing Members that the early close-down and the subsequent audit process was undertaken during a time of extreme staffing difficulties within the Accountancy section e.g. the Head of Financial Management post was filled on a temporary acting-up basis (now filled), both of the two principal Accountancy posts were vacant, the Capital Accountant post became vacant in early August and one of the Senior Accountants went on long-term sick with a life-threatening illness.
- 7.3 Steps have been taken to address these issues and I expect to have a full establishment in the New Year. It is therefore a great credit to all the staff involved that they achieved an early and efficient close-down and to a very high standard.
- 7.4 I would also like to pay tribute to the professional, diligent and courteous manner in which the auditors have discharged their duties.

**Mike Owen**  
**Director of Finance & E-Government**

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### ***Background documents:***

Various final accounts working papers held in the files of the Head of Financial Management's office .

### ***For further information on the details of this report, please contact:***

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