

REPORT FOR DECISION

Agenda Item	
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MEETING: AUDIT COMMITTEE

DATE: 19 SEPTEMBER, 2007

SUBJECT: 2006/07 STATEMENT OF ACCOUNTS

REPORT FROM: EXECUTIVE MEMBER FOR RESOURCE AND PERFORMANCE

CONTACT OFFICER: Mike Owen – Director of Finance and E-Government

TYPE OF DECISION: Council

REPORT STATUS: For Publication

PURPOSE/SUMMARY:

The 2006/07 Statement of Accounts, for the financial year ending 31 March, 2007, was approved by the Audit Committee on 28 June, 2007.

The Accounts have been up-dated to reflect a number of amendments that have been made following the completion of the audit by KPMG and the relevant pages of the Accounts reflecting the amendments have been attached, for final approval.

Once approved, the updated Statement of Accounts will be posted on the Internet, together with a summary report of the Council's financial and performance results, and a feedback questionnaire. A notice will be placed in the Bury Times advertising this. Printed copies of the accounts will also be available from libraries and council offices.

The report is to be considered along with the ISA (UK+I) 260 "*Communication of Audit Matters with those Charged with Governance*" report which will be presented by KPMG as part of this meeting.

OPTIONS AND RECOMMENDED OPTION (with reasons):

Members are recommended to:

- Approve the amendments to the Accounts recommended by KPMG
- Approve the final version of the Statement of Accounts for the 2006/07 financial year (with the relevant pages to the Accounts that reflect the amendments attached as Appendix A to the report) in line with the provisions of the Accounts and Audit Regulations 2003;
- Note the matters and issues arising from the audit and contained within the ISA

IMPLICATIONS -

Financial Implications and Risk Considerations

See Statement by DoFEG below

Corporate Aims/Policy Framework:

Do the proposals accord with the Policy Framework? Yes. The successful performance of the Council's financial resources supports the delivery of its corporate aims and objectives. The final position of the Council's financial resources will impact on the achievement of all the authority's policies.

Are there any legal implications? Yes

Considered by Monitoring Officer:

Yes. 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 Financial Regulation A: Financial Management 3.8.5. 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 2006/07 and helps to shape budget strategy in future years.

Staffing/ICT/Property:

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

Wards Affected:

All

Scrutiny Interest:

Falls under the remit of the Resource and Performance Scrutiny Panel.

TRACKING/PROCESS

DIRECTOR: Mike Owen

Chief Executive/ Management Board	Executive Member/ Chair	Ward Members	Partners
Yes	Yes		
Scrutiny Panel	Executive	Committee	Council
Resource and Performance Scrutiny Panel	No		

1.0 INTRODUCTION

- 1.1 Under the terms of the Accounts and Audit Regulations 2003 (as amended in 2006) each year the Authority is required to produce, and have approved, the Statement of Accounts before 30 June following the Balance Sheet date.
- 1.2 Once the Accounts have been approved they are subject to audit by, in our case, KPMG and a final copy of the Accounts containing the auditor's certificate and opinion must then be published on or before the statutory publication date of 30 September.
- 1.3 The 2006/07 draft Accounts were approved by this Committee on 28th June, 2007.
- 1.4 For the 2006/07 financial year there is the continuation of the important development in the responsibilities of auditors in relation to any misstatements that they discover in the course of their work. Under International Standard of Auditing (UK and Ireland) (ISA (UK+I)) 330, auditors plan and perform their audit to provide reasonable assurance that the financial statements are free from material misstatement.
- 1.5 However, in carrying out their work, they will also happen across other misstatements and omissions that are not material. ISA (UK+I) 260 "*Communication of Audit Matters with those Charged with Governance*" requires auditors to report to Members all misstatements that have been advised to officers but not adjusted for.
- 1.6 It was agreed at the Audit Committee meeting on 28 June that any misstatements and matters / issues arising would be communicated at this meeting of the Audit Committee following completion of the audit.
- 1.7 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.

2.0 AMENDMENTS TO THE ACCOUNTS

- 2.1 The Audit Commission (the auditors) have identified and recommended a number of amendments to the Accounts that were approved on 28 June. Having discussed the suggested amendments with the auditors I am happy to agree to their inclusion within the Accounts and the pages of the Accounts that reflect the amendments (which are shaded) are attached at Appendix A to this report. **Members are therefore recommended to approve these Accounts.**
- 2.2 The items identified by the auditors relate primarily to the need to re-classify items on the face of the Accounts.
- 2.3 There is only amendment to the accounts that has impacted on the General Fund Balance for the year – this is where an incorrect figure was used in calculating the voluntary revenue contribution to the repayment of external debt.

2.4	The impact of this on the General Fund balance for the year is as follows:	£000
	Increase in General Fund Balance for the Year approved by Audit Committee on 28 June	(7,806)
	Voluntary Revenue Contribution adjustment	(82)
	Revised Increase In General Fund Balance for the Year	(7,888)

3.0 ISSUES

- 3.1 In the draft Statement of Accounts I referred to the fact that decisions regarding the directorate requests for carry-forwards would be made by the Executive on 12th September.
- 3.2 No cash ceiling adjustments were approved; requests to carry forward uncommitted underspendings (earmarked and under the 1% rule) were refused and the overspending on the Adult Care Services budget was not carried forward.
- 3.3 Finally, I would like to thank all the staff involved in the achievement of the deadline for the close down process and pay tribute to the professional, diligent and courteous manner in which the auditors have discharged their duties.

Mike Owen
Director of Finance & E-Government

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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