

Key Decision	No
Listed on Forward Plan	Yes
Within Policy	Yes/No
Policy Document	

STATEMENT OF ACCOUNTS 2008/09

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1 Purpose

1.1 To present the 2008/09 Statement of Accounts to the Audit Committee.

2 Recommendations

2.1 That the Audit Committee reviews the 2008/09 Statement of Accounts and indicates whether there are any concerns arising that need to be brought to the attention of the Cabinet/Council.

3 Issues and Choices

3.1 The Accounts and Audit Regulations 2003 require the Council to formally approve the Statement of Accounts by 30th June.

3.2 The Statement of Accounts will be presented to the External Auditor on 1st July 2009 and will thereafter be available to the general public throughout the statutory deposit period. During this time, members of the public may view documents and ask questions.

3.3 Any material changes arising from the audit of the 2008/09 accounts will be reported back to the September meeting of the Audit Committee, where the accounts will be submitted for review post external audit but prior to Cabinet/Council approval.

3.4 Members are invited to pay particular attention to the following issues:

Radcliffe School

At 31st March 2009, the Radcliffe School owes the Council some £2.8m, comprising a loan for the Arts extension [£1m] and abortive Project Radcliffe costs of £1.8m. [In addition, the school currently has a deficit of some £1m which represents further risk to the Council].

Until such approvals from the DCSF are in place, the £2.8m has been treated as revenue expenditure in the Council’s draft accounts. It would be possible to

charge this sum to the Direct Schools Grant. That would minimise the direct financial impact to the Council Tax payer and therefore represents the advice of the Chief Financial Officer. An alternative approach is to charge this sum to the Council's General Fund. Cabinet approval has been sought on the approach to be taken in the draft accounts to be presented to the external auditor by 30th June.

The Council is seeking agreement from the school for repayment of the outstanding sum from land sale receipts.

Shortfall in efficiencies targets

It is now clear that budget efficiencies of some £2m have not been achieved with a consequential adverse effect on the level of balances. The implications of this will be addressed in managing the current year budget and in the current Medium Term Financial Planning round.

- 3.5 Officers are currently finalising the Statement of Accounts which will be distributed, along with a summary of points arising from the final accounts, prior to the meeting. In the interim, a summary is attached at the **Annex**.

4 Implications

4.1 Policy

The financial results for the year take the Council's reserve below the £8m level deemed as a minimum by Council policy.

4.2 Resources and Risk

Resources

The year-end General Fund balance, assuming approval of the budgetary provisions set before Cabinet on 23rd June 2009 will be £7,544k, reducing to £1,823k by the end of 2011/12. Council has previously approved a minimum level of General Fund reserves of £8 million.

Significant Risks

The reported figures take prudent account of all known risks as at 31st March 2009. However, there remain a number of factors which may have an impact on subsequent years, as follows:

Risk	Impact	Likelihood
Deficit at Sir Frank Markham School resulting in impact on General Fund	High	Low
DSG position making it impossible for the deficit to be recovered	Medium	Low
Failure to achieve efficiency targets for 2009/10 and future years	Medium	Medium
Economic downturn having an adverse effect on	High	High

Environment income streams		
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The table above looks at the likely revenue impact of the risks identified as having a potential effect on General Fund reserves in 2009/10 and beyond. The categorisation shown for each risk identifies the perceived impact and the likelihood of the risk actually having an impact on the revenue budget. These risks will be monitored closely.

This risk analysis has allocated risk factors in a manner consistent with the methodology used to assess the adequacy of reserves for the s151 Officer review each year.

<input type="checkbox"/>	Capital	<input checked="" type="checkbox"/>	Revenue	<input type="checkbox"/>	Accommodation
<input type="checkbox"/>	IT	<input checked="" type="checkbox"/>	Medium Term Plan	<input type="checkbox"/>	Asset Management

4.3 Legal

The Statement of Accounts is a statutory document, which needs to be approved by the Council (or delegated Committee) by 30th June 2009 in respect of the 2008/09 financial year.

4.4 Other Implications

There are Comprehensive Performance Assessment implications of the timing of the approval of the Annual Governance Statement and the Statement of Accounts.

<input type="checkbox"/>	Equalities / Diversity	<input checked="" type="checkbox"/>	Sustainability	<input type="checkbox"/>	Human Rights
<input type="checkbox"/>	E-Government	<input checked="" type="checkbox"/>	Stakeholders	<input type="checkbox"/>	Crime and Disorder