

Report to: **Meeting of the District Council**  
Date: **30<sup>th</sup> September 2008**  
Report of: **Director of Finance and Corporate Services**  
Subject: **The Statement of Accounts 2007/2008**  
Ward: **All**

## **1. Purpose of Report**

- 1.1 To approve the re-submitted accounts for the year ended 31<sup>st</sup> March 2008. (*The Statement of Accounts has been circulated separately and should be brought to the meeting*).

## **2. Consultation**

- 2.1 Consultation has taken place with our statutory auditors, the Audit Commission, the Head of Financial Management and his team, the County Treasurer and the Executive Member for Resources. The matter has been discussed with Management Team.

## **3. Position Statement**

- 3.1 The Accounts and Audit Regulations set out the requirements for the production and publication of the statement of accounts. They require the statements to be presented to members for approval by the 30<sup>th</sup> June each year, however where material issues arise during the audit it is recommended that accounts are amended to reflect those changes and re-submitted for further approval by the Council.
- 3.2 The Statement of Accounts was presented within the statutory timescales however during the audit an issue arose concerning the information provided by the Actuary in respect of the Durham County Pension Fund to which this Council is an admitted body. This Council uses the information to reflect its share of the fund valuation in the accounts. In previous years the information from the Actuary has broadly reflected the final valuation as set out in the County Council's Pension Fund Accounts unfortunately for the year ended March 2008 there was a material difference between the Actuary's assessment and the final position. In effect the actual Pension Fund Valuation was £50.2m higher than the information provided to the Council.
- 3.3 Although the £50.2m is in respect of the fund as a whole it is split between the admitted bodies and £2.82m is attributable to this Council and is material in terms of presenting a statement of accounts which reflects a true and fair position of the Council's finances. In view of this the accounts have been amended to reflect the change.
- 3.4 As the fund value increased by £2.82m in effect this reduced the pension liability in the accounts and therefore there was an improvement in the overall financial position of the council. The transactions relating to the adjustment did not affect the revenue position reported to Council last June but have now been fully reflected in the Statement of Recognised Gains and Losses Account (page 26 in the Statement of Accounts) through to the Balance Sheet (page 27).

- 3.5 The changes have been considered by the Audit Commission in the Annual Governance Report which will be presented to Council at this meeting.

## **4. Implications**

### **4.1 Financial**

The changes did not affect the overall operational financial performance of the Council reported previously. Actuarial gains are arrived at by establishing the difference between the expected and actual returns on the pension fund investments at the year end, adjustments to the accounts are as described in paragraph 3.4 and members will note there is no effect on the final revenue outturn position.

### **4.2 Legal**

The report meets the statutory requirements in presenting the statement of accounts which have been prepared in accordance with the CIPFA Accounting Codes of Practice as applicable.

### **4.3 Policy**

There are no policy implications.

### **4.4 Risk**

The statements of accounts in essence are for information and it is not considered there are any risks attached to the process.

### **4.5 Local Government Review**

None.

### **4.6 Communications**

- 4.6.1 It is a statutory requirement that the Statements are published as soon as reasonably possible after the audit but no later than the 30<sup>th</sup> September 2008. Publication will involve placing them on the website, distribution to other Local Authorities and to the public upon request.

### **4.7 Corporate Plan and Priorities**

This report is in accordance with the Council's objectives and agreed priorities. In particular the report assists in achieving the following:

Priority 2 **Striving for excellence in the Workplace** by ensuring we properly manage our resources making best use of residents' money and keeping council tax increases to a minimum.

### **4.8 Equality & Diversity**

This report has no direct Equality and Diversity issues.

### **4.9 E-Government**

None.

### **4.10 Procurement**

None.

## **5. Recommendations**

- 5.1 Members are requested to consider the contents of the report and approve the Statement of Accounts for the year ended 31<sup>st</sup> March 2008.

### **Background documents referred to:**

- i) Final Accounts Information 2007/8 Working Papers
- ii) Statements from the Financial Management System
- iii) Estimates for 2007/8 and 2008/9

THB – OutturnCouncil2007-830092008