

# DUDLEY METROPOLITAN BOROUGH COUNCIL

## AUDIT COMMITTEE

21<sup>st</sup> JULY 2005

### REPORT OF THE DIRECTOR OF FINANCE

#### STATEMENT OF ACCOUNTS 2004/05

#### **1. Purpose of Report**

- 1.1 To present the Statement of Accounts to the Audit Committee for approval and to inform the Audit Committee of the progress of the audit of the accounts.

#### **2. Background**

- 2.1 The Accounts and Audit Regulations 2003 set out the requirements for the production and publication of the Statement of Accounts. The Council has delegated the responsibility for the approval of the Statement of Accounts to the Audit Committee. The Statement of Accounts, and the audit of them, are the main formal and public report on the financial standing of the authority.
- 2.2 The Accounts and Audit Regulations 2003 also require that a Statement on Internal Control, (which is approved by members, and then signed by the Leader and the Chief Executive) is published with the Statement of Accounts. The Statement on Internal Control, outlining the management and administrative processes of the authority that facilitate risk management, reporting, and compliance with law, is included with the Statement of Accounts.

#### **3. Statement of Accounts**

- 3.1 The Statement of Accounts is attached as Appendix F, preceded by summaries setting out the main features:
- Consolidated Revenue Account (Appendix A)
  - General Fund Revenue Funding (Appendix B)
  - Housing Revenue Account (Appendix C)
  - Consolidated Balance Sheet (Appendix D)
  - Capital Spend (Appendix E)
- 3.2 The audit of the Accounts for 2004/05 has been largely completed and the formal Auditor's Report will be signed following the approval of the Statement of Accounts by the Audit Committee.

#### **3.3 Significant Points from the Accounts**

- 3.3.1 The outturn of £328.600m on the General Fund Revenue Account has not changed from the provisional figure reported to the Cabinet on 15<sup>th</sup> June 2005.

- 3.3.2 The General Fund Balance at 31<sup>st</sup> March 2005 is £3.809m, marginally above the figure reported on 15<sup>th</sup> June. £2m of this will be used in supporting expenditure in 2005/06.
- 3.3.3 The value of all Council fixed assets, including buildings, land, and roads, is about £1.3b.
- 3.3.4 The long-term borrowing stands at £415m, of which about £238m relates to former West Midlands County Council Debt which is managed by Dudley on behalf of the seven West Midlands districts.
- 3.3.5 The ring-fenced Housing Revenue Account showed a deficit of £1.1m in 2004/05, after making contributions to repairs, leaving £2.8m in reserves.
- 3.3.6 The schools reserves, which are only available for schools' use, are £9.9m. Other earmarked reserves are £38m; the requirement for these is kept under regular review.

#### **4. Proposals**

- 4.1 It is proposed that the Audit Committee:
- 4.1.1 Approves the Statement of Accounts for the financial year 2004/05, and that the Chair signs and dates them.
- 4.1.2 Approves the Statement on Internal Control.

#### **5. Finance**

- 5.1 There are no direct financial implications arising from this report.

#### **6. Legal**

- 6.1 The Accounts and Audit Regulations 2003, made under Section 27 of the Audit Commission Act 1998, requires the Statement of Accounts to be approved by the Council or a Committee, and then signed and dated by the person presiding.

#### **7. Equal Opportunities**

- 7.1 There are no equal opportunities implications arising from this report.

#### **8. Recommendations**

- 8.1 Members are recommended to approve the proposals contained in section 4.0.



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**M.S. Williams**  
**Director of Finance**

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