
Audit Committee – 21st September 2006

Report of the Director of Finance

Amendments to Statement of Accounts 2005/06

Purpose of Report

1. To inform the committee of amendments made to the Statement of Accounts since the initial presentation to the June meeting.

Background

2. With the earlier deadline of June for submission of accounts it is no longer possible to complete the audit before the accounts have to be agreed by the Committee and signed by the Director of Finance. It was reported in June that any material amendments to the accounts arising from the later stages of the audit will be reported to this Committee.
3. As a result of the audit process, and reviews by officers, various changes have been made to the accounts. There is no change to outturn, or to the financial standing of the authority.

Main Amendments

4. The new financial systems differ from the old ones in the treatment of cash which reaches the bank account directly before the year end, so that details are not recorded until after the year end. There were significant sums in this category this year, but unfortunately the issue was not immediately picked up, and both the cash overdrawn balance and the debtors figures were overstated on the balance sheet, by £10.67m. This has now been corrected, and will be dealt with correctly in future years.
5. The treatment of the regular invoices for the Dudley Grid for Learning PFI scheme has been amended. The correct number of invoices had been accounted for each year, but following the initial pattern of charging, the final invoice of each year was accounted for in the next financial year. As this expenditure is met from accumulated PFI grant, the adjustment has no effect on outturn, but makes a small difference (£39k.) to reserves and debtors.
6. The automated process for reporting revenue income from the new financial systems initially picked up two capital grants. This has been corrected, with some further changes to the upper section of the Consolidated Revenue Account.
7. The above changes have led to consequential changes in the Statement of Total Movements in Reserves and the Cash Flow Statement, and in their supporting notes.

8. The analysis of Council Tax and housing subsidy in the Cash Flow Statement has been updated to match current best practice.

Additional Disclosures

9. Additional information has been provided on the following items;
- the use of LPSA reward money,
 - the PFI schemes,
 - the actuaries' assumption about the take up of the new commutation provision on retirement benefits,
 - the purposes of the main trust funds.

Minor Changes

10. The NNDR rateable value figure has been updated to the final year end figure.

Finance

11. This report is entirely financial in content, but does not give rise to any direct costs.

Law

12. Legislation appertaining to Local Authority Audit and Accounts is contained in the Local Government Act 1972, part 2 of the Audit Commission Act, 1998, and regulations made thereunder.

Equality Impact

13. The proposal takes account of the Council's policy in relation to equal opportunities.
14. With regard to children and young people:
- There is no direct effect of the proposals on children and young people.
 - There has been no specific consultation with children and young people.
 - There has been no direct involvement of children and young people in developing the proposals.

Recommendation

15. It is recommended that:-
- The Committee notes the changes to the Statement of Accounts



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Director of Finance

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List of Background Papers

Report on Statement of Accounts at June Audit Committee meeting