

Appendices



Item No.

**NORTHAMPTON**  
BOROUGH COUNCIL

## AUDIT COMMITTEE REPORT

<b>Report Title</b>	<b>2007/08 STATEMENT OF ACCOUNTS</b>
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**AGENDA STATUS: PUBLIC**

<b>Audit Committee Meeting Date:</b>	25 <sup>th</sup> September 2008
<b>Policy Document:</b>	N/A
<b>Directorate:</b>	Finance and Asset Management
	Councillor Malcolm Mildren
<b>Accountable Cabinet Member:</b>	

### 1. Purpose

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- 1.1 To note the external audit report by KPMG on the 2007/08 financial statements and use of resources.
- 1.2 To review the statements and pass comments to Cabinet.

### 2. Recommendations

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- 2.1 That the KPMG opinion of the 2007/08 accounts be noted.
- 2.2 That the Audit Committee make comments as necessary to the Cabinet meeting on 29<sup>th</sup> September 2008, regarding the representation of the 2007/08 Statement of Accounts.
- 2.3 That subject to any comments arising at 2.1 above that Cabinet be asked to recommend that Council adopts the 2007/08 statement of accounts.

### 3. Issues and Choices

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#### 3.1 Report Background

- 3.1.1 The Council approved the draft 2007/08 Statement of Accounts at its meeting on 30<sup>th</sup> June 2008.

- 3.1.2 KPMG, our external auditors, have now audited the accounts and have presented their ISA 260 report (See Annex A). This is a report that is presented to those charged with Governance and will therefore be reported to the Council at its meeting on 29<sup>th</sup> September.
- 3.1.3 This report addresses the items raised in the external auditors report and also summarises the updates made to the Statement of Accounts since the June 2008 approval. A list of items raised is shown at Annex C.
- 3.1.4 The amended statement of accounts is attached at Annex B.
- 3.1.5 KPMG is required to give an opinion on whether the Council's financial statements present fairly the position of the Council as at 31<sup>st</sup> March 2007 and its income and expenditure for the year then ended.
- 3.1.6 The accounts have been completed on time for both the June 2008 approval of the draft accounts and for the post audited accounts in September 2008. This is in accordance with the Accounts and Audit Regulations.

## **3.2 Issues**

### **The Accounts**

- 3.2.1 The Accounts have been updated for changes required by our Auditors and this is summarised on page 11 of the KPMG report and at Annex C, noting what has happened with these changes. There have not been any material adjustments.
- 3.2.2 Changes to Prime Financial Statements – There have been a number of balance sheet adjustments. These are primarily concerning the accounting treatment for late cash and netting off debtor and creditor balances for Benefits.
- 3.2.3 Changes to Prime Financial Statements – There have been a number of income and expenditure account adjustments. None of these have an effect on overall levels of balances.
- 3.2.4 Changes to the Notes / Presentational Adjustments – There are a number of presentational changes which have been agreed. These mainly relate to changes required in notes to reflect some late changes made in the main body of the accounts.
- 3.2.5 In summary the changes are non material, mainly with movements between categorisations in the accounts, for example between debtors and creditors.

### **Other Areas for Information**

- 3.2.6 The accounts are currently being updated and checked following the above and if necessary a revised version will be presented to Council on the 29<sup>th</sup> September.
- 3.2.7 There are a number of accounts performance improvement observations that have been raised in the KPMG ISA 260 report and comments have been noted as a management response as part of the report. We will look to address these during 2008/09.

## **3.3 Choices (Options)**

- 3.3.1 The committee is invited to review the 2007/08 statement of accounts and indicate whether there are any concerns arising that need to be brought to the attention of the Cabinet and Council.
- 3.3.2 The committee is asked, subject to any comments arising at 3.3.1 above, to recommend that Council adopt the 2007/08 statement of accounts

#### **4. Implications (including financial implications)**

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##### **4.1 Policy**

- 4.1.1 The statement of accounts summarises the Council's Financial Position as at 31<sup>st</sup> March 2008.

##### **4.2 Resources and Risk**

- 4.2.1 The statement of accounts summaries the Councils Financial Position as at 31<sup>st</sup> March 2008.
- 4.2.2 There are Comprehensive Performance Assessment implications on the timing of the approval of the statement of accounts and the annual governance statement.

##### **4.3 Legal**

- 4.3.1 The statement of accounts is a statutory document, for which the draft needs to be approved by the Council by 30<sup>th</sup> June 2008 and the revised by 30<sup>th</sup> September 2008 in respect of the 2007/08 financial year.

##### **4.4 Equality**

- 4.4.1 None

##### **4.5 Consultees (Internal and External)**

- 4.5.1 External - external audit

##### **4.6 Other Implications**

- 4.6.1 None

#### **5. Background Papers**

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- 5.1 Statement of Accounts Working Papers

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