



**NORTHAMPTON**  
BOROUGH COUNCIL

<b>Name of Committee</b>	<b>CABINET</b>
<b>Directorate:</b>	<b>Governance and Resources</b>
<b>Corporate Director:</b>	<b>Isabell Procter</b>
<b>Portfolio Holder:</b>	<b>Cllr M. Mildren</b>
<b>Date:</b>	<b>28 June 2007</b>
<b>Key Decision:</b>	<b>Yes</b>

<b>Report Title</b>	<b>2006/07 STATEMENT OF ACCOUNTS</b>
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## 1. PURPOSE

- 1.1 To present the 2006/07 Statement of Accounts to the Cabinet.
- 1.2 To update the Cabinet on any observations from the audit committee.

## 2. RECOMMENDATIONS

- 2.1 That Cabinet review the 2006/07 statement of accounts and indicate whether there are any concerns arising that need to be brought to the attention of the Cabinet.
- 2.2 That Cabinet consider any observations from the audit committee
- 2.3 That the revised general fund balance be noted.
- 2.4 That subject to any comments arising at 2.1 above that Council be recommended to adopt the 2006/07 statement of accounts.

### **3. ISSUES AND OPTIONS**

- 3.1 The Accounts and Audit Regulations 2003 require the Council to formally approve the Statement of Accounts by 30<sup>th</sup> June.
- 3.2 The detailed format of the statement of accounts follows guidance issued by CIPFA/LASSAC. The format of the statement can change from year to year to reflect new requirements or changes in best practise.
- 3.3 The attached statement of accounts at Annex A will be presented to the external auditor on 30<sup>th</sup> June 2007 and will thereafter be available to the general public through the statutory deposit period. During this time members of the public may view documents and ask questions.
- 3.4 Any material changes arising from the audit of the 2006/07 accounts will be reported back to the audit committee in September.

#### **General Fund**

- 3.5 The General Fund working balances total £2.9m as identified within the Statement of Accounts at Annex A (page 27). The Council also holds General Fund earmarked reserves of £5.9m to mitigate specific business risks as identified within the Statement of Accounts at Annex A (page 61 Note 35 e). Taking the Council's financial position into account and the inherent risks in the 2007/08 budget along with potential risks relating to single status, the minimum prudent level of working balance should be £2.5m. This will be reviewed during 2007/08.

#### **Housing Revenue Account (HRA)**

- 3.6 The outturn position for the HRA shows an accumulated in year surplus of £1.2m giving a level of working balances of £5.8m as identified within the Statement of Accounts at Annex A (page 69). The Council also holds an HRA earmarked reserve of £3.0m to finance future capital expenditure as identified within the Statement of Accounts at Annex A (page 61 Note 35 e).

#### **The Collection Fund**

- 3.7 The collection fund had an in year surplus £1m resulting in a minimal overall fund surplus. It was estimated in January 2007 that the deficit would be £130k and this was apportioned between precepting authorities and the proportion relating to this council (£20k) was included when setting the budgets for 2007/08. The balance of the surplus will be carried forward into the 2007/08 collection fund and will form part of the calculation of surpluses and deficits for setting the 2008/09 budget.

### **5. Resource Implications (including Financial Implications)**

5.1 The statement of accounts summaries the Councils Financial Position as at 31<sup>st</sup> March 2007.

## 6. Risk and Opportunity Issues

6.1 The Council's General fund working balance as at 31<sup>st</sup> March 2007 was £2.9m. Balances which have been earmarked for use are £5.9m.

6.2 There are Comprehensive Performance Assessment implications on the timing of the approval of the statement of accounts and the statement of internal control.

## 7. Legal Implications

7.1 The statement of accounts is a statutory document which needs to be approved by the Council by 30<sup>th</sup> June 2007 in respect of the 2006/07 financial year.

## 8. Consultees (Internal and External)

<b>Internal</b>	Management Board, Corporate Managers and Internal Audit.
<b>External</b>	N/A

## 9. Compliance Issues

### A: How Proposals Deliver Priority Outcomes

<b>Recovery Plan</b>
N/A
<b>Corporate Plan</b>
N/A

### B: Other Implications

<b>Other Strategies</b>
None

## 10. Background Papers

Title	Source
<b>Statement of Accounts Working Papers Audit Committee Paper and Minutes</b>	

Name	Signature	Date	Ext.
<b>Author &amp; Director Isabell Procter</b>	Isabell Procter	24.06.07	
<b>Monitoring Officer or Deputy (Key decision only)</b>			
<b>Section 151 Officer or Deputy (Key decision only)</b>	Isabell Procter	24.06.07	