

<b>Item No.</b> 7.2	<b>Classification:</b> Open	<b>Date:</b> 20/07/05	<b>MEETING NAME</b> Council Assembly
<b>Report title:</b>		Statement of accounts 2004/05	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Finance director	

**RECOMMENDATIONS**

1. That the council assembly approves the statement of accounts 2004/05, as attached.
2. That the Mayor, as presiding member at the council assembly meeting, signs and dates the accounts as being approved by the council assembly.

**BACKGROUND INFORMATION**

3. The Accounts and Audit Regulations 2003 require that the statement of accounts for 2004/05 be presented by 31<sup>st</sup> July 2005 to an appropriate committee of the body to which the Accounts relate. Under the constitution the council assembly is the body that formally receives the statement of accounts.
4. The Accounts and Audit Regulations 2003 also require that the chair of the committee or meeting approving the accounts should sign and date the accounts. As the receiving committee is the council assembly, the chair or presiding member is the Mayor. Signing the accounts does not pass any formal responsibility to the person signing, or override the finance director's responsibilities in certifying the accounts, but is required by the regulations as a formality to show that the council's processes in preparing and presenting the accounts have been completed.

**KEY ISSUES FOR CONSIDERATION**

5. A copy of the statement of accounts for 2004/05, as signed by the finance director on 4<sup>th</sup> July 2005 in accordance with the Accounts and Audit Regulations 2003, is attached to this report.
6. As mentioned above, the regulations require that the 2004/05 accounts be approved by the council assembly by 31<sup>st</sup> July 2005. If the accounts are subject to the District Auditor's opinion then they must be re-published after the audit opinion has been made, and by 31<sup>st</sup> October 2005.
7. It should be noted that the Accounts and Audit Regulations 2003 have been shortening the timescales for the preparation and audit of the accounts. The regulations require that the accounts for the current year, 2005/06, and for all future years will need to be presented by 30<sup>th</sup> June following the accounting year, a month earlier than the statutory deadline set for the 2004/05 Accounts.

8. Additional copies of the statement of accounts are available on request from strategic services department (financial management services) to all interested parties. An electronic copy of the accounts will also be available from the Southwark website shortly after the council assembly meeting. The accounts for the five years from 1999/2000 to 2003/04 are also available on the website.
9. Dates are still to be set for the four-week period the accounts will be open for public inspection however the District Auditor will be available on Friday 20th August to hear any questions from members of the public. It is intended that the statement of accounts containing the auditor's opinion will be available later in the autumn and certainly within the statutory 7-month period.

### **Policy implications**

10. In setting the budget for 2005/06, council assembly agreed that any favourable variances within the general fund from 2004/05, should be directed into funding the approved one-off growth items for 2005/06, and agreed to increase the general fund balances over a number of years from £8.073 million, in accordance with the 2004/05 medium term financial strategy. Council assembly also agreed to increase the modernisation, service and operational improvement reserve.
11. The 2004/05 position now included in these accounts and to be presented to the District Auditor, shows a net favourable variation in the general fund, particularly as a result of additional investment income and other one-off items. This has allowed the £1.598 million one-off growths for 05/06 to be funded as planned, and has enabled general fund balances to increase by £0.915 million to £8.988 million. It is expected that the target increase in general fund balances to £10 million will be achieved within the next two years. The modernisation, service and operational improvement reserve has been increased by £2.725 million before setting aside the finance needed to meet the general fund share of upfront payment for the CSC in 2004/05, of £6.374 million

### **Consultation**

12. Consultation on the accounts is carried out through the public inspection period, and by access to District Auditor on the appointed day.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Closing files 2004/05	Financial Management Services Town Hall, Room 4.07	Dennis Callaghan 020 7525 4375

APPENDIX A

Audit Trail

<b>Lead Officer</b>	<i>Duncan Whitfield, Finance Director</i>	
<b>Report Author</b>	<i>Dennis Callaghan, Chief Accountant</i>	
<b>Version</b>	<i>Final</i>	
<b>Dated</b>	<i>08/07/05</i>	
<b>Key Decision?</b>	<i>No</i>	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Borough Solicitor & Secretary	No	No
Chief Finance Officer	Yes	Yes
<i>List other Officers here</i>		
<b>Executive Member</b>	In discussion	No
<b>Date final report sent to Constitutional Support Services</b>	08/07/05	