AUDIT COMMITTEE	Agenda Item 13 Brighton & Hove City Council

Subject:		***Statement of Accounts 2008/09***	
Date of Meeting:		**30 June 2009**	
Report of:		***Director of Finance & Resources***	
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Wards Affected:	All		

FOR GENERAL RELEASE

1 SUMMARY AND POLICY CONTEXT:

1.1 Under the current Accounts and Audit Regulations, the council's Statement of Accounts for 2008/09 must be approved by Members by the 30 June 2009. Under Brighton & Hove City Council's constitution, the Audit Committee is charged with this responsibility.

1.2 The report presents the Statement of Accounts for 2008/09. Copies of the Statement of Accounts are available in the Members' rooms. At this stage, the accounts have not been fully audited by the District Auditor. It is expected that the District Auditor will present an Annual Governance Report to the September meeting of this committee on the conclusion of the audit of the 2008/09 financial statements.

2 RECOMMENDATIONS:

The Committee is asked to:

(1) Approve the Statement of Accounts for 2008/09 and note that these are subject to audit.
(2) Note that actual revenue outturn for the council for 2008/09 was an underspend of £3.308 million.
(3) Note the budget changes and future commitments totalling £2.500 million approved by Cabinet on 11 June 2009.
(4) Note that individual overspendings and underspendings will not be carried forward to 2008/09 and that the £3.308 million underspend has been transferred to General Reserves
(5) Note that there was a deficit on the Housing Revenue Account for the year of £1.748 million.
(6) Note the provisions and contingent liabilities included in the accounts.

3 RELEVANT BACKGROUND INFORMATION:

3.1 The main legislative requirements relating to the preparation, publication and audit of the council’s accounts are contained in the Audit Commission Act 1998 and both the Accounts and Audit Regulations 2003 and the Accounts and Audit (Amendment) Regulations 2006, made under Section 27 of the 1998 Act.

3.2 It is a requirement that the annual accounts should be prepared as soon as practicable after the end of the financial year and considered by a committee or Full Council, and approved by a resolution of that committee, or meeting by the 30 June. The accounts must then be published and signed off by the external auditor as soon as reasonably possible after conclusion of the audit and by the 30 September.

4 ANNUAL GOVERNANCE STATEMENT:

4.1 The Statement of Accounts includes the Annual Governance Statement. The statement sets out the systems in place to manage the council’s risks efficiently, effectively and economically. The Annual Governance Statement includes the findings of the review of the internal control operating in the council. The committee is required to approve the Annual Governance Statement to comply with the Accounts and Audit Regulations 2003 and the Accounts and Audit (Amendment) Regulations 2006. The statement and approval are covered specifically under a separate agenda item.

5 FORMAT OF THE ACCOUNTS:

5.1 In accordance with the above regulations, the Statement of Accounts includes an explanatory foreword, a statement of accounting policies adopted and a statement of responsibilities together with the core financial statements, supplementary statements and the notes to the accounts.

5.2 Local Authority accounts are currently designed to be compliant with Generally Accepted Accounting Principles, known as “UK GAAP”, to ensure that, in principle, the accounts are consistent and comparable with accounts across public, private and charity sectors. This is also to aid the consolidation of local authority accounts into “Whole of Government Accounts” which incorporate all public sector organisations.

5.3 The committee are advised, however, that in future years there will be a fundamental shift in the format of the accounts toward International Accounting Standards rather than the UK GAAP standard. New International Financial Reporting Standards (IFRS) have already been developed and applied to some areas, for example, Financial Instruments, and will be increasingly applied until full compliance is achieved for the 2010/11 accounts.

5.4 The statement would normally comprise both “Single Entity Accounts”, which are in respect of wholly council controlled activities, and “Group Accounts” in respect of activities where the council has a significant interest or share in a subsidiary, associate or joint venture entity. However, there are no other activities requiring the preparation of Group Accounts in 2008/09.

5.5 The Single Entity core financial statements included within the Statement of Accounts comprise the following:-

- **Income and Expenditure Account (I&E)** – which is the council’s main revenue account covering income and expenditure on all services. This statement is fundamental to the understanding of the council’s activities in that it reports the net cost for the year of all the functions for which the council is responsible and demonstrates how that cost has been financed from general government grants and income from local taxpayers. The services are categorised in line with the Best Value Accounting Code of Practice (BVACOP) issued by CIPFA; this is to ensure consistency in the reporting with other local authorities.

- **Statement of Movement on the General Fund Balance (SMGFB)** – this complex statement immediately follows the Income and Expenditure Account and essentially reverses out entries in the Income and Expenditure Account that, while ensuring compliance with reporting standards (i.e. UK GAAP), are not chargeable within the Council Tax demand. For example, the Income and Expenditure Account includes depreciation charges to recognise the wearing out of assets, however, council’s may only take account of the actual cost of servicing borrowing used to finance the acquisition or construction of those assets. Depreciation is therefore reversed out in the Statement of Movement on the General Fund Balance and replaced with the appropriate principal and interest repayments on outstanding debt.

- **Statement of Total Recognised Gains and Losses (STRGL)** – which shows all gains and losses including those not included in the Income and Expenditure Account; for example, revaluations of Fixed Assets and the Pensions Fund. This statement brings these gains and losses together with the surplus or deficit on the Income and Expenditure Account to show the total movement in the council’s net worth for the year (Net Worth is explained below).

- **Balance Sheet (BS)** – which sets out the financial position of the council as at 31 March 2009. This statement is fundamental to the understanding of the council’s financial position at the year end as it shows the council’s balances and reserves, its long term indebtedness and the fixed and net current assets employed in its operations together with summarised information on the fixed assets held. The statement shows the assets and liabilities of the council balanced by its net worth. Net worth is therefore equivalent to assets less liabilities.

- **Cash Flow Statement** - this statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

5.6 The supplementary statements comprise the following:-

- Housing Revenue Account Income and Expenditure Account
- Collection Fund Account
- Section 75 Memorandum Accounts (under the Health Act 2006)
- Trust Fund Accounts

5.7 The Statement of Accounts has been prepared in accordance with the Code of Practice on Local Authority Accounting, a Statement of Recommended Practice (SORP) issued in 2008/09 by the Chartered Institute of Public Finance and Accountancy (CIPFA), and also in accordance with guidance notes issued by CIPFA on the application of the SORP. The Statement of Accounts is intended to give electors, members, employees and other interested parties clear information about the council's finances.

5.8 The purpose of the Statement of Accounts is to provide information to a whole range of stakeholders and the general public and provide answers to basic questions such as:

- What did the council's services and capital programme cost in 2008/09?
- Where did the money come from?
- What does the council own?
- What commitments does the council have and what provisions and reserves has the council set against these?
- What amounts were due and what was owed at the end of the financial year?

5.9 By complying with the Code of Practice, the council has followed a consistent basis of accounting that narrows the areas of difference and variety in accounting treatment, which then enables more meaningful comparison with the published accounts of other local authorities. Unfortunately, adhering to the Code means that there is limited opportunity to make the accounts particularly "user friendly" to members, stakeholders and the general public. Therefore, wherever possible, notes to the accounting statements have been written in plain English but in certain cases it has not been possible to avoid technical terms. A glossary has been included at the back of the Statement of Accounts. Key information in relation to council finances is also communicated through other publications including the Council Tax Leaflet, Summary Accounts and the Annual Report, which attempt to present information in a more user-friendly way.

5.10 The District Auditor is currently working on the audit of the accounts and will be reporting their findings to this Committee in September 2009 through the Annual Governance Report. Following this report, the District Auditor will be able to issue their audit opinion and the accounts will be published.

5.11 As the accounts have not been fully audited by the District Auditor, it is possible that some changes will be incorporated prior to the issuing of the audit opinion. It is a statutory requirement that any material changes must be reported to Members.

5.12 In addition to publishing the Statement of Accounts, the council will produce an annual report including summary accounts as was the case in 2007/08.

6 CHANGES TO ACCOUNTING STANDARDS:

6.1 The council adopted the following changes to accounting policies for the 2008/09 accounting period as required by the changes to the reporting standards:

- As a result of an amendment to FRS 17, “*Retirement Benefits”*, quoted securities held as assets in the defined benefit pension scheme are now valued at bid price rather than mid market value;
- The introduction of the requirement to recognise impairment of Financial Instruments in the Balance Sheet for non statutory debt, which replaces the previous provisions for bad and doubtful debts;
- The introduction of the term “Revenue Expenditure Funded from Capital Resources (under statute)” to replace the term “deferred charges”. This relates to capital expenditure for which the council does not have an asset;
- The change in accounting for the disposal of fixed assets prohibiting the revaluation of assets on disposal. The gain or loss on the disposal of fixed assets is now calculated as the difference between the sale price and the carrying value of the asset.

6.2 In 2008/09, the council implemented a new fixed asset/capital accounting software package in response to the increasingly complex capital accounting requirements, particularly the changes introduced by the 2007 SORP; this replaced the manual system of recording fixed asset information. The introduction of this software gave the council the opportunity to review its policy of calculating depreciation for revalued assets.

7 TARGETED BUDGET MANAGEMENT (TBM):

7.1 During 2008/09, Cabinet received regular Targeted Budget Management (TBM) reports in respect of the council's expenditure against the Budget. A revenue outturn report was taken to Cabinet on 11 June 2009 showing a provisional underspend of £4.088 million after adjusting for the planned contribution to reserves of £1.445 million towards the anticipated Collection Fund deficit in 2008/09 (approved as part of the Revenue Budget 2009/10 by Full Council). This is a significant turnaround from the Month 9 TBM report which showed a forecast underspend for the year of £1.647m, principally due to increased underspends on the concessionary fares budget, and capital financing costs. The revenue outturn report of 11 June 2009 contains full details.

7.2 The forecast underspend reported at Month 9 TBM of £1.647 million was taken into consideration in setting the 2009/10 budget and council tax. The budget approved by Full Council required this underspend to be earmarked to cover projected investment income losses over the next three years due to falling interest rates.

7.3 The Director of Finance & Resources is required to keep under review the level of balances and reserves maintained by the council. The following transfers to reserves totalling £2.500 million were recommended to Cabinet and approved at the Cabinet meeting on 11 June 2009:

i) A carry forward of £0.100 million for the Carers Grant element of Area Based Grant which funds support to both adult and children's carers and support organisations.
ii) A carry forward of £0.100 million to provide support for an integrated programme of phase II value for money reviews.
iii) An additional £0.250 million to be added to General Reserves to further smooth out investment losses over the three year period as interest rates are expected to remain at low levels for longer than anticipated when setting the budget.
iv) An additional £0.250 million to be added to the existing earmarked reserve for Priory House to enable the council to meet its obligations under the terms of the lease.
v) The creation of an Accommodation Strategy Reserve of £0.250 million to meet other anticipated one off and invest to save costs in support of the Corporate Accommodation Strategy;
vi) An allocation of £0.050 million to secure the Bridge's activities to August 2009 and enable additional work to be undertaken to secure its long term funding. The Bridge is a community education centre.
vii) An allocation of £1.500 million to the Building Schools for the Future programme.

The net provisional outturn after adjusting for the above transfers to reserves totalling £2.500 million was £1.588 million.

7.4 The actual revenue outturn for 2008/09 is an underspend of £1.863 million, after adjusting for the planned contribution to reserves of £1.445 million approved in the Revenue Budget 2009/10 by Full Council towards the anticipated Collection Fund deficit in 2008/09 and the £2.500 million of transfers to reserves detailed in paragraph 7.3 above. This is an increased underspend of £0.275 million compared with the provisional outturn reported to Cabinet on 11 June 2009. £1.647 million of the £1.863 million underspend has already been committed (see paragraph 7.2 above for further detail). The remaining £0.216 million will therefore be transferred to General Reserves. There are planned contributions from General Reserves in 2009/10 which leaves net unallocated General Reserves of £0.114 million.
The actual deficit on the Collection Fund in 2008/09 was £0.162 million compared with the planned contribution of £1.445 million toward meeting the deficit. The difference of £1.283 million will be transferred to General Reserves.

Quarterly capital monitoring reports were also considered by Cabinet in 2008/09. The provisional capital outturn reported to Cabinet on 11 June 2009 showed capital spending for the year of £52.890 million which was within budget. The council endeavours to deliver its capital programme on time (i.e. avoid "slippage") and as such monitors against a challenging target of spending at least 95% (i.e. maintain slippage below 5%) of the approved capital programme each year. Total outturn slippage amounted to £2.578 million or 4.66% of the budget. No resources have been lost as a result of this slippage.

8 COMMENTARY ON THE STATEMENT OF ACCOUNTS:

8.1 Income and Expenditure Account (I&E)

8.1.1 The General Fund balance as at 31 March 2009 remains at £9.0 million, which represents the working balance of the council and is at the level recommended by the District Auditor. In addition there are General Reserves of £2.310 million, including unallocated General Reserves mentioned earlier, and other specific reserves of £0.087 million. There are also earmarked reserves of £58.632 million as detailed in paragraph 8.3.7 below.

8.1.2 The implementation of Financial Reporting Standard (FRS) 17 *"Retirement Benefits"* with effect from 2003/04 introduced new entries to the Income and Expenditure Account. FRS17 states that local authorities must recognise future pension liabilities as they are earned. Therefore, the Net Cost of Services and the Net Operating Expenditure in the Income and Expenditure Account have been affected by figures taken from the report of the pension scheme's actuary. However, it should be noted that FRS17 has no impact on the Council Tax Requirement or on Housing Rent levels.

8.1.3 Dedicated Schools Grant

The Dedicated Schools Grant (DSG) was introduced in 2006/07. The DSG is only used to provide education to the pupils of schools and is not used for any other purpose. There is an underspend of £1.468 million on the use of the Dedicated Schools Grant in 2008/09; this underspend has been carried forward to 2009/10 and is shown within Creditors in the council's Balance Sheet.

8.1.4 Section 75 Health & Social Care Partnerships

Under Section 75 of the Health Act 2006, NHS bodies and local authorities can form partnership arrangements for lead commissioning, integrated provision of services and pooled budgets. Where pooled budgets are in operation and a partner is identified as the lead commissioner and/or provider, that partner is required to disclose Memorandum Accounts in respect of pooled budget activity. Brighton & Hove City Council is the lead commissioner/provider for two services as follows:

i) From 1 April 2006 the arrangements for learning disability services were amended with the council, from this point, acting as the Lead Commissioner and the Lead Provider of these services.

ii) From 1 October 2006 the City Council, the PCT and South Downs Health NHS Trust (SDHT) established a partnership to commission and provide services for children and young people and improve their wellbeing. The council is the lead commissioner and lead provider of services. The council's contribution is shown in the Income and Expenditure Account under Children's and Education Services. The Children & Young People Trust (CYPT) did not pool budgets until 1 April 2007.

8.2 Housing Revenue Account (HRA)

8.2.1 This account reflects the statutory requirement to account separately for local authority housing provision. It shows the major elements of housing revenue expenditure – maintenance, administration, and capital financing costs - and how these are met by rents, subsidy and other income.

8.2.2 The 2008/09 outturn for the HRA shows a net deficit of £1.748 million. The HRA reserves now stand at £3.902 million, which is well in excess of the recommended minimum level of balances of £2 million.

8.3 Balance Sheet (BS)

8.3.1 This statement is particularly technical, which is unavoidable given the requirement to observe the Code of Practice and the complex capital accounting, financial instrument and pension reporting standards. There are explanatory notes to the Balance Sheet in the Statement of Accounts.

8.3.2 Fixed Assets (awaiting completion of note 21)
Total fixed assets have decreased from £1,869.166 million as at 31 March 2008 to £1,808.534 million as at 31 March 2009. The movements in fixed assets are detailed in the notes to the core financial statements. The movement of £60.6m relates to the following:

- An increase of £43.547 million for additions to fixed assets which reflects the significant capital investments
- Fixed asset revaluations of £130.087 million
- Impairment of fixed assets of £193.301 million
- disposal of fixed assets of £1.668 million
- depreciation charges of £39.305 million.

Gains and losses on the disposal of fixed assets are charged to the Income & Expenditure Account but then reversed back out through the Statement of Movement on the General Fund Balance to ensure they do not impact on the Council Tax demand. However, the cost of disposal remains as a charge to revenue.

8.3.3 Deferred Consideration

Deferred consideration relates to the three schools that are part of the Grouped Schools Private Finance Initiative (PFI) contract together with the PFI for the Central Library. The balance of £18.799 million represents the notional value of the leases granted by the council to the PFI providers for the three school sites and the central library. The balance will be written down each year to revenue over the life of the PFI contracts.

8.3.4 Borrowing

In accordance with the CIPFA Code on Treasury Management, the management of the council's borrowing portfolio is based on a consolidated approach and not by individual services. The level of borrowing has decreased in the year by £44.063 million. Gross new long-term borrowing within the year totalled £3 million and has been applied to part fund capital payments; £47.017 million of debt was repaid in 2008/09. Gross new short term borrowing within the year totalled £21.350m while repayment of short term borrowing totalled £21.350m. The level of debt attributable to council services totals £195.714 million as at 31 March 2009 (£239.777 million 31 March 2008).

8.3.5 Government Grants Deferred (GGD)

GGD represents grants and external contributions that have been used to finance expenditure on the council's fixed assets. As the value of the asset is reduced by depreciation, so the value of the GGD account is reduced to offset the depreciation charged. GGD increased from £74.818 million at 31 March 2008 to £80.004 million at 31 March 2009.

8.3.6 Revaluation Reserve

This represents any upward revaluations of assets in accordance with the Code of Practice. Any impairment of assets is also reflected in this account only to the extent that it can be offset against previous upward revaluation of the asset. Any excess impairment is charged to the Income and Expenditure Account. The reserve stands at £162.710 million as at 31 March 2009.

8.3.7 Earmarked Reserves

These represent funding that has been set aside for a specific purpose. The balance of £59.790 million at 31 March 2008 decreased to £58.632 million at 31 March 2009. Details of Earmarked Reserves held can be found in the notes to the core financial statements.

8.3.8 Schools' balances

Schools' balances have decreased by £0.078 million from £2.740 million at 31 March 2008 to £2.662 million at 31 March 2009. All schools have the right to carry forward surpluses and overspends, within agreed limits, which will be added to, or taken from their school budget share. The £2.662 million balance includes phases as follows: - primary schools £1.536 million, secondary schools £1.168 million, special schools -£0.048 million and nursery schools £0.006 million.

There is an overall decrease in carry forwards; however, the split across phases shows variations as follows: - primary schools increased by £0.406 million, secondary schools decreased by £0.629 million, special schools increased by £0.138 million and nursery schools increased by £0.007 million. In total there are 12 schools (out of 72) with deficit balances (17% of total schools) and the split of these is as follows: - 8 primary schools (15% of primary schools), 1 secondary school (11% of secondary schools), 2 special schools (33% of special schools) and 1 nursery school (50% of nursery schools). School budget plans for 2009/10 will incorporate these overspends and the council's Schools Finance Team are working closely with schools to identify those who are likely to require licensed deficits (approval to overspend) in the coming year.

8.3.9 Landfill Allowance Trading Scheme (LATS)

In order to reduce the amount of biodegradable waste (for example, kitchen and garden waste, paper and card) going to landfill, the government has issued tradable landfill allowances to waste disposal authorities to landfill a reducing number of tonnes for each year from 2005/06 to 2019/20. The council has valued the allowances for 2008/09 at £1 each. The council's allocation for 2008/09 was 52,427 tonnes, valued at £0.052 million based on trading activities between councils. An estimated 37,088 tonnes were actually landfilled (£0.037 million), leaving 15,339 tonnes (£0.015 million) surplus allowances carried forward in an earmarked reserve to be used in future years. Authorities that landfill more than their permitted allowance can either purchase additional allowances from other waste disposal authorities or pay to the government a financial penalty of £150 per tonne.

8.3.10 Pensions Liability

Financial Reporting Standard (FRS) 17 is referred to in paragraph 8.1.2. The pensions liability (net of Pensions Assets) was £76.242 million at 31 March 2008 and it increased by £62.627 million to £138.869 million at 31 March 2009. This liability is offset by a Pensions Reserve.

8.4 Provisions and Contingent Liabilities

8.4.1 Provisions have been made in the accounts for liabilities existing at the 31 March 2009 that are reasonably certain and can be estimated with reasonable accuracy. Provisions are included for the following:-

i) **S117 Mental Health Act 1983** - following a ruling in August 2002, local authorities were unable to charge for accommodation provided under Section 117 of the Mental Health Act 1983. The council, like many other local authorities, had been charging for a long period of time and this provision has been set up to meet the liabilities of the repayment of these charges.

ii) **Maintenance of Graves** - this provision relates to sums donated by members of the public to care for and maintain graves in perpetuity.

iii) **Single Status Liability Provision** - this provision was set up in 2008/09 and relates to a potential future liability in relation to single status for amounts that may be payable to persons who have left the council's employment

8.4.2 Contingent Liabilities are included where there is a possible loss which is not recognised in the accounts because it cannot be accurately estimated or because the event giving rise to the possible loss is not considered sufficiently certain. The majority of these claims are not considered material and will therefore have no material effect on the council's financial position. Contingent liabilities are included for the following:-

i) **Equal Pay Claims** – a contingent liability is recognised in respect of equal pay claims. The council's Governance Committee approved a proactive approach to managing potential equal pay back pay liabilities at its meeting on 13 January 2009, which was ratified by Full Council on 29 January 2009. The associated budget provision was considered by Cabinet on 12 February 2009 and approved by Full Council on 26 February 2009. The accounts include the costs of the equal pay back pay settlement offer, paid to employees during March 2009, together with provision for payments over to HMRC for tax and national insurance contributions. A provision is also included for employees who were due an equal pay back pay settlement but left the council's employment within 6 months of the settlement date (31 March 2009). There may be other potential liabilities relating to equal pay back pay that are outside of the formal settlement offer made by the council. These liabilities could only arise as a result of formal grievance processes and/or employment tribunals and cannot therefore be estimated with any accuracy at the balance sheet date.

ii) **Insurance claims** – a contingent liability is recognised in respect of outstanding and potential insurance claims where it is not possible to accurately estimate the timing or value of claims. However, the council's Insurance Reserve includes cover for potential liabilities based on past experience and professional assessment of current and potential liabilities.

iii) **Concessionary Bus Fares** - the council has a contingent asset in relation to concessionary bus fares for an unresolved judicial review against a fixed determination payment for Brighton & Hove Buses in 2007/08. The judicial review is not being contested however the Department for Transport will not be issuing a re-determination until after general challenges made by bus operators on the principles of all concessionary travel schemes for 2007/08 and 2008/09 have been heard. If the general challenges made by the bus operators are unsuccessful the council can expect a re-determination which may produce a payment from Brighton & Hove Buses to the council.

9 EVALUATION OF ALTERNATIVE OPTIONS

9.1 There is a provision within the Accounts and Audit (Amendment) Regulations 2006 covering the non-approval of the statement of accounts by the 30 June. In such cases, a further meeting of the Audit Committee should be held within 20 working days to consider the annual accounts. Where the meeting does not resolve to approve the accounts, the council is required, as soon as reasonably practicable, to publish a statement as to the reasons why it cannot approve the accounts.

10 REASONS FOR REPORT RECOMMENDATIONS

10.1 It is a statutory requirement of the current Accounts and Audit Regulations that the council's 2008/09 Statement of Accounts should be approved by Members by the 30 June 2009.

11 CONSULTATION

11.1 The purpose of this report is to present the council's Statement of Accounts for 2008/09. There has been no external consultation. Residents of Brighton & Hove are able to inspect the accounts during the period 29 June 2009 to 24 July 2009.

12 FINANCIAL & OTHER IMPLICATIONS

Financial Implications:

12.1 Included in the body of the report.

Finance Officer Consulted: Jane Strudwick *Date: 25/06/09*

Legal Implications:

12.2 The main statutory requirements relating to the Statement of Accounts are summarised in the report, but it is also necessary to note that the Statement of Accounts must be signed and dated by the person presiding at the committee meeting which approves the Statement of Accounts. There are no specific human rights implications to which members' attention need be drawn.

Lawyer Consulted: Oliver Dixon *Date: 25/06/09*

Equalities Implications:

12.3 There are no equalities implications arising directly from this report. The Statement of Accounts is a statutory publication and is available for the public inspection at the council's main offices and public libraries. Information on the accounts will, as far as possible, be provided in a manner that meets the needs of those requesting information.

12.4 An annual report will also be published including summary accounts.

Sustainability Implications:

12.5 There are no direct environmental implications arising from this report. However, it is believed that the reputation of the council's framework and its ability to demonstrate sound financial management could have an impact on the willingness of other funding partners to invest in and with the council. This could affect the level of inward investment in respect of projects that contribute towards sustainability.

Crime & Disorder Implications:

12.6 There are no direct implications for the prevention of crime and disorder arising from this report.

Risk and Opportunity Management Implications:

12.7 There has been no direct risk assessment for this report. However, the management of the closure of the council's accounts and the preparation of these complex annual accounting statements are subject to full risk assessment and review.

Corporate / Citywide Implications:

12.8 Any material changes resulting from the conclusion of the audit will be reported to the Audit Committee. The quality and accuracy of the Statement of Accounts may impact on the council's score under the Comprehensive Area Assessment framework.

SUPPORTING DOCUMENTATION

Appendices:

None.

Documents in Members' Rooms:

1. Statement of Accounts 2008/09 (copy circulated separately to Members).

Background Documents:

None.