

FINAL ACCOUNTS UNAUDITED 2004/05

EXECUTIVE Councillor Elaine Woodburn

MEMBER:

LEAD OFFICER: Sue Borwick

REPORT AUTHOR: Sue Borwick

Summary: This report seeks approval for the publication of the
the
unaudited Final Accounts for 2004/05 and recommends use of the underspend and reserves.

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|------------------------|--|
| Recommendation: | <p>a) To recommend to Council to approve the unaudited accounts and their publication</p> <p>b) To approve the carry forward of earmarked reserves</p> <p>c) To approve a transfer of £333,000, from the underspend in the year to the Major Project Fund</p> <p>d) To approve the release of previously earmarked reserves as shown in para 3.5 of £80,652.81 for use in the 2006/07 budget process</p> <p>e) To release the unallocated reserve for post ballot costs of £296,096.72 to the major project Fund</p> |
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Impact on delivering Copeland 2020 objectives: Closure of Final Accounts is a statutory function. Any transfer of surplus to the Major project Fund can be utilised to help deliver our objectives.

Impact on other statutory objectives (e.g. crime & disorder, LA21): None directly

Financial and human resource An amount of £629,096.72 is transferred to the Major Project Fund for future use giving a balance

implications: available of £1,014,818.97. The release of previously earmarked reserves of £80,652.81 provides finance available for the 2006/07 budget process to fund one off growth bids.

Project & Risk Management: An action plan is being prepared to ensure the new deadlines for 2005/06 are achieved...

Key Decision Status

Financial: - Yes – additional resources available
- **Ward:** No.

Other Ward Implications: None.

1 INTRODUCTION

- 1.1 The Accountancy & Audit Regulations require Councils to gain approval from members of the unaudited accounts for the year ended 31st March 2004, by 31st July 2005.
- 1.2 The Accounts and Audit regulations 2003 requires an Authority to gain approval of the accounts by Council by the end of June immediately following the year end (currently September). The ODPM recognise that this will be extremely difficult for Authorities and are phasing this in over the next few years. The regulations require that next year the accounts are approved by end of June
- 1.3 The accounts are now complete and are subject to audit. They are presented in Appendix A, together with an Explanatory Forward supported by notes to the accounts.
- 1.4 Although the accounts have to follow a statutorily prescribed format, I have revised the Statement as best I can to make it more understandable and presentable and it now also includes some graphical information and a glossary of terms.
- 1.5 The date for the annual audit of the accounts has been agreed and will commence in August 2005. Any material changes made to the accounts following completion of the audit will be reported back to Members.
- 1.6 We are required to provide a full Statement of Internal Control with the published accounts. This statement was reported to executive on 5th

July and is elsewhere on the agenda, once approved will be inserted into the Statement of Accounts attached.

2 OUTTURN REPORTS

- 2.4 Reports were submitted to Executive 14th June 2005, for both revenue and capital expenditure, detailing the outturns of both General Fund and the Housing Revenue Account.

3 FINANCE AVAILABLE

- 3.3 The revenue outturns submitted to Executive identified an additional resource, unallocated, of £473,096 for General Fund services. In completing the accounts, an amount of £103,000 has been reallocated to the Housing Revenue Account in respect of interest on attributable debt and the amount. This then brings the unallocated resource from 2004/05 to £576,096. Of this balance, £243,000 needs to be set aside to fund the capital projects previously approved that have been rephased from previous years. **It is recommended that the remaining balance of £333,000 is transferred to the Major Projects Fund.**
- 3.4 The draft revenue outturn showed provisional final HRA balances of £630,321 based on the interim housing subsidy claim. Following review of this claim, the grant requested to support interest payable on debt, was based on a 12 month calculation. The housing stock was retained by the Council for only 68 days and therefore this had a significant effect on the subsidy receivable. Although the final subsidy has yet to be audited and submitted, the final balances on HRA are likely to be @ £150k and will be usable by the general fund after the HRA is statutorily closed at 31st march 2006.
- 3.5 Appendix B shows all monies that have previously been approved by Executive for future use. A full review has been carried out on the monies set aside and the following reserves are no longer required and can be released.

| | £ |
|--|---------------|
| Residual lobbying budget | 507.34 |
| Access to services review | 3,498.47 |
| Gateway –arts commission | 30,000.00 |
| Completed public building schemes (residual) | 22,000.00 |
| Historic Buildings | 397.00 |
| Conservation – rental | 6,250.00 |
| Occupational health | 18,000.00 |
| Total to be released | 80,652.81 |

It is recommended that the total amounting to £80,652.81 is allocated to fund non recurring revenue bids as part of the 2006/07 budget process.

- 3.6 In addition to the above, a balance of £296,096.72 remains on the budget allocated for post ballot costs relating to the stock transfer. Original post ballot costs were estimated to be @£1.2m and this sum was included in the transfer agreement with Copeland Homes. A further sums of £102,000 was later requested from the major Project Fund. Most of the post ballot expenditure was funded from this budget but some, mainly relating to employment costs, has been funded directly from existing budgets resulting in an under allocation of budget of £194,096.72. This together with the additional £102,000 can be released and it is recommended that this total amount is transferred to the major project Fund.

List of Appendices:

[Appendix A- Statement of Accounts](#)
Appendix B – [Earmarked Reserves](#)

List of Background Documents:

Final Accounts Working Papers

List of Consultees:

Corporate Team, Executive, Accountancy Services Manager