



<u>Committee and date</u>
Audit Committee
16 September 2010
4.45pm

<u>Item No</u>
<b>6</b>
Public

## AUDITED ANNUAL STATEMENT OF ACCOUNTS 2009/10

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### Summary

This covering report and attached Annual Statement of Accounts, present to Members the final audited outturn position for the financial year 2009/10.

### Recommendations

- A. Members are asked to note the 2009/10 Annual Statement of Accounts on which the District Auditor has indicated will receive an unqualified opinion, subject to some outstanding queries.

## REPORT

### Background

1. The Statement of Accounts and Revenue and Capital Outturn reports were presented to the Audit Committee on 18 June 2010 and to Council on 24 June 2010. Closure of the accounts for 2009/10 was achieved within the statutory deadline of 30 June 2010, as required by the Accounts and Audit Regulations
2. The Audit Commission has audited the accounts during July and September. The audit of the accounts is substantially complete and the Auditor has indicated that an unqualified audit opinion will be issued on the accounts, subject to the successful completion of the outstanding procedures. The formal publication of the audited Statement of Accounts is now being made to Members.

### Audit Commission Opinion

3. In summary the Audit Commission reported as follows.

“The Authority’s financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2009, the financial position of the Authority as at 31 March 2010 and its income and expenditure for the year then ended; and

The Group financial statements present fairly, in accordance with relevant legal and regulatory requirements and the Statement of Recommended Practice on Local Authority Accounting in the United Kingdom 2009, the

financial position of the Group as at 31 March 2010 and its income and expenditure for the year then ended.

In my opinion the pension fund accounts and related notes present fairly, in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2009, the financial transactions of the Pension Fund during the year ended 31 March 2010, and the amount and disposition of the fund's assets and liabilities as at 31 March 2010, other than liabilities to pay pensions and other benefits after the end of the scheme year."

### **Changes from the Draft Statement of Accounts Approved by Council on 18 June 2010**

4. There have been no material changes to any of the main accounting statements since the version reported to the Audit Committee and Council in June 2010. A number of technical changes and minor typographical errors have been made, all with the agreement of the Audit Commission. The main changes are listed below:
  - a) The Temporary Loans and Long Term Loans figures on the Balance Sheet have been updated to reflect the treatment required for accrued interest (page 104).
  - b) The Income & Expenditure Account and Cash Balance and has been amended to take account of the transactions processed through the Euro account inherited from South Shropshire District Council (page 115).
  - c) The Debtors and Creditors figures have been updated to correct the misclassification of accruals made as Payments in Advance and for Prepaid Rents (page 103 and 114).
  - d) The Post Balance Sheet Events Note has been amended to reflect the Government announcement that public sector pensions will be increased in line with the consumer price index rather than the retail price index. An estimation of how this change could affect the pension liability has been provided within the note (page 120)
  - e) The Long Term Loans and Creditors figures on the Balance Sheet have been updated to reverse the opening accrual for loan interest relating to Oswestry Borough Council (page 104).
  - f) The Cash Flow Statement (page 59) and Notes 49, 50, 51 and 52 to the Core Financial Statements (pages 131-133) have been updated to incorporate a number of corrections to the classification of cash transactions.
  - g) The extract of the Pension Fund Accounts (page 145) has been amended to take account of a number of adjustments that have been identified during the Pension Fund audit. These items will be reported to the Pensions Committee on the 30<sup>th</sup> September 2010.
  - h) The Housing Revenue Account Notes have been amended to take account of a number of minor adjustments and additional disclosures (page 151).

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

Statement of Accounts 2009/10. Audit Committee 18 June 2010, Council 24 June 2010.

Revenue Outturn 2009/10. Audit Committee 18 June 2010, Council 24 June 2010.

Capital Outturn 2009/10. Audit Committee 18 June 2010, Council 24 June 2010.

Council Constitution: Part 4, Rules of Procedure – Financial Procedure Rules.

**Human Rights Act Appraisal**

The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.

**Environmental Appraisal**

N/A

**Community / Consultations Appraisal**

The original budget was subject to a public consultation process. A Summary Statement of Accounts has also been produced for public use. All of this information is available in hard copy and on the Council's website and can be made available in different formats for people with disabilities.

**Cabinet Member**

All Cabinet Members.

**Local Member**

All Members.

**Appendices**

Audited Statement of Accounts 2009/10

**Decision(s)**