

**TO: COUNCIL – 29th June 2005**

**SUBJECT: APPROVAL OF STATEMENT OF ACCOUNTS 2004/2005**

**FROM: RESPONSIBLE FINANCIAL OFFICER and FINANCE**

---

**1. RECOMMENDATIONS**

- 1.1 That Council approves the Statement on Internal Control, forming part of the 2004/05 Statement of Accounts, before it is signed by the Leader of Council and the Chief Executive.
- 1.2 That Council approves the formal Statement of Accounts for the year ended 31st March 2005 which will then be signed by the Councillor chairing the meeting.

**2. REASONS FOR RECOMMENDATION**

- 2.1 As part of corporate governance, Members have an important role in overseeing the framework of internal control of the Council. The recommendations have been made in order that the Council can meet the statutory deadline for the approval of its Statement of Accounts and the related Statement of Internal Control which is an integral part of that document.

**3. ALTERNATIVE OPTIONS CONSIDERED**

- 3.1 No alternatives have been considered as this is statutory duty placed on the Council.

**4. POLICY AND BUDGET FRAMEWORK**

- 4.1 The Statement of Accounts 2004/2005 is an historic account of the financial performance of the year and shows comparison with the budget for 2004/2005 and the results for 2003/2004.

Roger Wyton  
Principal Accountant

Richard Barr  
Audit Services Manager

**BACKGROUND PAPERS**

Executive 13 June 2005 – Final Accounts 2004/2005

Accounts and Audit Regulations 2003

Audit Commission Act 1998

CIPFA Code of Practice on Local Authority Accounting in Great Britain - A Statement of Recommended Practice (SORP)

CIPFA Best Value Accounting - Code of Practice 2003

Statement of Accounts 2003/2004

<b>Areas in District Affected:</b>	All
<b>Executive Portfolio Area and Holder:</b>	Corporate and Strategic Leadership; Cllr Bob Crowther
<b>Overview and Scrutiny Committee(s):</b>	Audit and Resources
<b>Key Decision:</b>	Yes
<b>Included in Forward Plan:</b>	Yes
<b>Method of Consultation:</b>	Public Notice in local newspapers informing local electors of their rights to inspect the accounts

**For further information about this report please contact:**

Contact Officer: Roger Wyton  
Tel:(01926) 456808 (Direct Line)  
E-Mail: [roger.wyton@warwickdc.gov.uk](mailto:roger.wyton@warwickdc.gov.uk)

## **5. BACKGROUND**

- 5.1 The Accounts and Audit Regulations 2003 require that the Statement of Accounts shall be approved by a resolution of a committee of the relevant body or otherwise by a resolution of the members of the body as a whole, such approval to take place as soon as reasonably practical and in any event before the 31<sup>st</sup> July 2005 in respect of the financial year 2004/5. The approval will be statutorily brought forward by a month to 30<sup>th</sup> June for the financial year 2005/6.
- 5.2 Full details of the Council's finances for 2004/2005 were reported to the Executive on 13 June. The attached formal statement contains the same basic information as the Executive report but in a format required by the Accounts and Audit Regulations.
- 5.3 The complete cycle of reporting on the 2004/2005 Accounts will be achieved by receiving the External Auditor's report (Annual Audit Letter) later in the year and publishing the Statement of Accounts by 31<sup>st</sup> October 2005.

## **6. STATEMENT ON THE SYSTEM OF INTERNAL CONTROL**

- 6.1 From 1 April 2003, the Accounts and Audit Regulations 2003 require local authorities to publish a statement on internal control (SIC) with their statements of accounts. The purpose of this statement, to be signed by the Leader of Council and the Chief Executive, is to provide assurance that the authority has a sound internal control framework in place to manage the risks that might prevent achievement of its statutory obligations and organisational objectives.
- 6.2 To support the conclusions in the SIC, each year a review is to be carried out of the system of internal control to highlight any serious control issues and actions needed to deal with them.
- 6.3 The SIC, containing the findings of the review, is included in the Statement of Accounts. The format, and part of the wording, is based on a pro forma suggested by CIPFA.
- 6.4 Although the review carried out did not reveal any control weaknesses that had a significant effect on the achievement of the objectives of the District Council a number of areas for improvement in internal control were identified and these form section 5 of the SIC.
- 6.5 The Audit and Resources Scrutiny Committee considered the SIC at its meeting on 7<sup>th</sup> June 2005, and recommended its approval.