

STEVENAGE BOROUGH COUNCIL

STATEMENT OF ACCOUNTS MINUTES

Date: Monday 29 June 2009

Time: 6.00 p.m.

Place: Shimkent Room, Daneshill House, Stevenage

Present: Mrs J Lloyd (Chair), G Clark, L Martin-Haugh,
R Parker CC, L Strange

Agenda Item:

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In Attendance: Councillors J Gardner, J Hollywell, M Notley,
and R Raynor; Independent Member Brian
Mitchell; and Justin Collings (of Grant
Thornton)

Start/End Time: Start Time: 6.00 pm
End Time: 8.30 pm

1 APPOINTMENT OF PERSON TO PRESIDE

It was **RESOLVED** that Councillor R Raynor be appointed to preside over the first part of the meeting, which would be held jointly with the Statement of Accounts Committee.

Councillor R Raynor in the Chair

2 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies for absence had been received from Councillor B Clark from the Audit Committee, and from Councillor M Patston from the Statement of Accounts Committee.

There were no declarations of interest made at the meeting.

Before moving onto the main item on the agenda, the Chair summarised the procedure to be followed for the meeting. Firstly the Officers would present the Statement of Accounts following which there would be an opportunity for Members of both Committees to ask questions of clarification. After the completion of the presentation, the Statement of Accounts Committee would adjourn, and its members would be welcome to remain in the room to observe the Audit Committee meeting. The Audit Committee would then consider the Statement of Accounts and agree any comments/recommendations before closing its meeting. At this point, the Statement of Accounts Committee would reconvene to consider the Statement of Accounts in the light of any comments / recommendations from the Audit Committee.

3 STATEMENT OF ACCOUNTS 2008/09 AND CAPITAL CONTROL SYSTEM DETERMINATIONS

The Audit Committee and the Statement of Accounts Committee received a

presentation from the Strategic Director (Resources) and the Head of Finance on the Statement of Accounts 2008/09.

The Strategic Director (Resources) introduced the Statement of Accounts 2008/09, referring to the context of the global economic climate, and to the prescribed presentation which was set out in statute.

The Head of Finance presented the document to Members, explaining that the major variances had been set out in the covering report. The overspend in the General Fund of £132,498 was largely due to the government's refusal to permit the capitalisation of redundancy costs. The underspend in the Housing Revenue Account (HRA) of £378,550 was due in part to the provision for job evaluation of £277,190 which was not required. It was noted that the HRA underspend was incorrectly listed in paragraph 5.1.4 as £387,550, but that the figure was correct in the Statement of Accounts.

A comprehensive review of all balance sheet accounts had been undertaken in preparing the Statement of Accounts 2008/09, which had led to a net adverse variance of £50,000.

Further to a question from a Member, officers commented that the Medium Term Financial Strategy contained provision for an anticipated increase in the pensions liability, which would become clearer following the triannual review due in 2010.

NOTE - *At this point the Statement of Accounts Committee adjourned. The Audit Committee continued to complete their agenda, and the Statement of Accounts Committee reconvened at 7.50pm to consider item 4.*

4 APPROVAL OF STATEMENT OF ACCOUNTS 2008/09 AND CAPITAL CONTROL SYSTEM DETERMINATIONS

At this point, Councillor Mrs J Lloyd took the Chair for the remainder of the meeting.

The Committee noted the recommendations from the Audit Committee, and the officers circulated a revised version of page 5 of the Statement of Accounts (page 16 of the agenda) showing a recommended amendment.

It was also noted that the Audit Committee had requested officers to include, within the 2009/10 Statement of Accounts, the figures at page 17 of the Statement of Accounts (page 28 of the agenda) in relation to "pooled receipts".

With reference to the figure of £807,000 for Non-Distributed Costs in the Income and Expenditure (I&E) Account on page 31 of the agenda, it was noted that this related to pensions and was reversed out of the account. The figures shown on the income column of the I&E came from a variety of sources, including fees, charges, and government grants.

Further to a question regarding the change to the cost of external audit services (page 44 of the agenda), officers commented that the Council was obliged to change provider of external audit at least every 10 years, and that the provider was allocated by the Audit Commission. The reduction in costs of external audit was due to the reduction in time spent on auditing, which was in turn a result of

improvements made to the accounting process.

Officers confirmed that the figure of £3,135,542 listed as being paid to other organisations (page 47 of the agenda) included money awarded through Grant Aid.

In relation to the joint arrangements for CCTV, it was noted that only Stevenage Borough Council's share of the costs were shown in the Statement of Accounts.

Referring to the 2008/09 budget outturn, Members requested that the figures for the Neighbourhood Action Teams be split up to show the figures for the committees' discretionary budgets separately from the other costs which were recorded under that heading. This would help Members identify any under-spend in the area budgets.

The Chair thanked the officers for producing the clear accounts, and for providing training for the Statement of Accounts Committee and the Audit Committee Members.

The Strategic Director (Resources) commented that the External Auditors had indicated that they were satisfied with the level of challenge provided by Members to the Statement of Accounts.

Officers noted that three typographical errors which had been highlighted would be corrected in the final, signed version of the Statement of Accounts 2008/09.

It was **RESOLVED**:

1. That the 2008/09 Statement of Accounts and capital financing determinations be approved, subject to the correction of typographical errors as noted in the meeting and to the following amendment: At page 5 of the document (page 16 of the agenda), under "Loan Debt", reword the second sentence to read "...a short term loan on the Balance Sheet as at 31 March 2009" to clarify the meaning.
2. That the 2008/09 outturn position be noted and the carry forward requests relating to under spent budgets totalling £53,580 for 2009/10 be approved.
3. That the net transfer of £12,277 from reserves be approved.

5 URGENT PART I BUSINESS

None.

6 EXCLUSION OF THE PRESS AND PUBLIC

Noted.

7 URGENT PART II BUSINESS

None.