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**Meeting:** Audit Committee  
**Date:** 30 October 2009  
**Subject:** Mid Bedfordshire District Council Statement of Accounts 2008/09  
**Report of:** Director of Corporate Resources  
**Summary:** This report presents the revised Mid Bedfordshire District Council Statement of Accounts 2008/09 to the Audit Committee for approval following external audit validation.

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**Advising Officer:** Clive Heaphy, Director of Corporate Resources  
**Contact Officer:** Matt Bowmer, Assistant Director, Financial Services  
**Public/Exempt:** Public  
**Wards Affected:** All  
**Function of:** Audit Committee

## **CORPORATE IMPLICATIONS**

### **Council Priorities:**

The Statements of Accounts of the demised authorities are an essential part of corporate governance and accountability and provide the starting point for the robust financial standing and sound financial management of the new authority, which are essential to the Council delivering its initial corporate objectives and priorities:

- (i) Supporting and caring for an ageing population
- (ii) Educating, protecting and providing opportunities for children and young people
- (iii) Managing growth effectively
- (iv) Creating safer communities
- (v) Promoting healthier lifestyles

### **Financial:**

None

### **Legal:**

None

### **Risk Management:**

None

### **Staffing (including Trades Unions):**

None

**Equalities/Human Rights:**

None

**Community Development/Safety:**

None

**Sustainability:**

None

**RECOMMENDATIONS:**

**that the revised Mid Bedfordshire District Council Statement of Accounts 2008/09 be approved for publication.**

*Reason for Recommendations: To fulfil the statutory duty to approve the Statement of Accounts for publication. To inform the Committee of changes in the Statement of Accounts following completion of the external audit validation..*

**1. Background**

- 1.1 Members will recall that the meeting of the Audit Committee of 27 July 2009 approved the Mid Bedfordshire District Council Statement of Accounts for 2008/09 subject to external audit validation. The Council's external auditor, the Audit Commission, has now completed that work and an unqualified audit opinion was issued on 2 October 2009. This report requests approval of a revised Statement of Accounts, and reports on the main changes from the previously approved draft Statement.

**2. Statement of Accounts 2008/09**

- 2.1 The Committee is asked to approve the revised, audited, version of the Statement of Accounts attached as Appendix 1.
- 2.2 The main changes in the Statement from the draft version approved in July and included in the Audit Commission's final Annual Governance Report are summarised in Appendix 2. These adjustments, and other amendments to the draft accounts reflected in the revised Statement, are also referred to below. None of these adjustments change the position regarding the financial balances carried forward into the new authority from that previously reported.

**2.3 Amendments to the Statement of Accounts****2.3.1 Creditors and Debtors Balances**

The Creditors balance in the Balance Sheet included a debit figure of £1,364k relating to an amount owed to the Council in respect of Housing Benefit subsidy. This has been taken out of the Creditors balance and transferred to the Debtors balance. In the Note to the Balance Sheet, it has been classified under Government Departments.

### 2.3.2 Income and Expenditure Account – Non Distributed Costs

Past pension costs of £418k were included in Corporate and Democratic Core Costs in the Income and Expenditure Account. These are now shown separately as Non Distributed Costs.

### 2.3.3 Creditors – Note to the Balance Sheet

In the Note to the Balance Sheet, Government department creditors were overstated by £129k and sundry creditors were understated by the corresponding amount. This has been amended.

### 2.3.4 Debtors – Note to the Balance Sheet

In the Note to the Balance Sheet, local authority debtors were overstated by £135k and sundry debtors were understated by the corresponding amount. This has been amended.

### 2.3.5 Statement of Recognised Gains and Losses (STRGL)

An adjustment of £19k has been made to a 2007/08 comparator figure in respect of gains on pension fund assets and liabilities.

### 2.3.6 Capital Financing Requirement (CFR) – Note to the Balance Sheet

This note has been amended to include the effect of the £23m set-aside of capital receipts on the closing CFR. An adjustment of £74k has also been made to bring the closing CFR in line with an accruals rather than cash basis of calculation, and to ensure that the CFR is consistent with other balances in the Statement.

### 2.3.7 Movement in Tangible Fixed Assets – Note to Balance Sheet

Movement on Assets Under Construction has now been included in the Movement in Tangible Fixed Assets note, rather than in a separate note.

### 2.3.8 Explanatory Foreword – LGR Implications

The references to the impact of LGR have been enhanced in the Explanatory Foreword to refer to the Cash flow Statement and the Income and Expenditure Account.

### 2.3.9 Explanatory Foreword – Impairment

A note has been added to the Explanatory Foreword to emphasise the significance of Impairment in the value of the Council's Fixed Assets.

### 2.3.10 Employees' Remuneration – Note to Income and Expenditure Account

This note has been amended to clarify that the figures include redundancy payments that have been both paid and accrued in 2008/09.

### 2.3.11 Members Allowances – Note to Income and Expenditure Account

This note has been amended to provide separate figures in respect of the allowances paid for Mid Beds and the Shadow Central Bedfordshire Council.

### 2.3.12 Other Adjustments / Minor Inconsistencies

A number of minor errors and inconsistencies such as casting errors have also been amended to improve the revised Statement.

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#### **Appendices:**

Appendix 1 – Post-Audit Mid Bedfordshire District Council Statement of Accounts 2008/09

Appendix 2 – Amendments to the draft Mid Bedfordshire District Council Statement of Accounts 2008/09 included in Annual Governance Report (approved 27 July 2009)

#### **Background Papers:**

Various Closure of Accounts Working Papers

Location of papers: Priory House, Chicksands